UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 1. Section 1. January 3, 1922.

The Agricultural Conference

Referring to the National Agricultural Conference to be called by Secretary Wallace, the Associated Press, Jan. 1, said: "Remedial measures to meet the present farm situation, and the laying down of a permanent policy for development of a self-sustaining agriculture are expected to result from the national agricultural conference to be called by Secretary Wallace at the request of President Harding. The conference, it was indicated, probably will meet here about January 15. Farmers and representatives of correlated lines interested in farmers' products will make up the personnel of the conference which, it was said would number between 100 and 150. Farmers' organizations, manufacturers of farmers' products, transportation interests, marketing agencies, shipping interests, fertilizer makers, farm implement manufacturers, packers, State agricultural and State agricultural college representatives, cotton, grain, live stock, and fruit commission men, experts on rural social problems, and bankers, are expected to be included in the membership of the conference."

Comments on the Conference

An editorial on the conference in The Washington Post, Jan. 1, says in part: "The course adopted by the President in dealing with the agricultural depression is certain to be approved by the public in general and it should be especially welcomed by the farmers, who are most directly interested in the outcome of the conference...The object sought in this movement will command the approval and cooperation of senators and representatives from every part of the Nation, and there is nothing about it calculated to influence them 'to divide geographically, or according to pursuits, or personal following.' The problem presented is national in its scope, involving the food supply of the cities as well as the profits and losses of the farmers. It requires boldness, courage and breadth in its treatment and is worthy of the best thought that can be brought to bear upon it. The President's plan will commend itself to every intelligent citizen."

An editorial in Philadelphia Public Ledger, Jan. 2, says in part: "President Harding's National Farm Conference is not likely to settle the troubles, worries, problems and anxieties of the man who follows the plow or rides the range. It will help to dramatize them so the Nation may see them for what they are. The conference will be a 'Stop, Look and

Listen!' sign at the crossing. The farm's cankering calamities will be brought out of the Nation's great central plain so the callous and careless folk of the big towns and the industrial centers may see that all is not well with their meat and milk and bread. The National Unemployment Conference spotlighted the workess worker. The Farm Conference will show, for a brief time anyway, a situation that is dangerous and becoming more so...The call of the President is not an idle gesture. There is big trouble on American farms. There is something wrong with agriculture. We are passing through the most savage agricultural depression we have ever known...We have come to a place where we must make up our American minds whether we are to be a lopsided industrial Nation like England or a symmetrical, balanced and rounded country something like we were in 1900, when country and city were more nearly balanced. As the President and his Secretary of Agriculture, Henry Wallace, see it, the conference faces two tasks. One is to relieve what the President calls a 'temporary' difficulty, the other is to chart an agricultural policy for the future..."

Chairmanship of Senate Finance Committee Goes to Westerner

Commenting upon the passing of the chairmanship of the Senate Finance Committee from East to West, by reason of the death of Senator Penrose, The New York Times, Jan. 2, says: "For the first time in forty years the chairmanship of the powerful Finance Committee of the Senate passes from the East to the West. The terms of Morrell, Aldrich and Penrose, who were the Republican Chairmen of this committee covered forty years. As the farm 'bloc' comes to power the chairmanship passes to the West, as Senator McCumber of North Dakota will be elected to that place, following the rule of seniority in succession."

On the same subject, The Philadelphia Public Ledger, Jan. 2, says: "The death of Senator Penrose will have far-reaching importance to the organization and the direction of the Republican Party. Administration leaders were prompt in their recognition to-day of that fact. Foremost in their consideration was the passing of the great power which goes with the chairmanship of the Senate Committee on Finance from the industrial East to the agricultural West. Senator McCumber, of North Dakota, will become chairman of the great tariff and taxation committee. He will be the first representative of an agricultural constituency to wield that power. Party leaders see no menace in that, despite the fears of some over the radical trend of the so-called agricultural bloc in the Senate. Mr. McCumber, always a willing fighter for what he regards as the best interests of the farmer, especially the wheat grower, never has been aligned with the Senate group which has fostered legislation antagonistic to business."

The West and Congress

"Westward the Star--" is the title of an editorial in Jan. 2 Philadelphia Public Ledger based upon the calling of the National Farm Conference and upon the passing of the chairmanship of the Senate Finance Committee to Senator McCumber. This says in part: "Ten years more and the seats of power in the Senate and in the Republican party will have passed from the old East to the newer West. Another decade and the men from the Mississippi Basin and the slopes of the Cordilleras

will hold the Senate in the hollow of their hands and will be the elder statesmen of the Republican councils. New England and the Middle Atlantic will bow to a new brand, breed and trend of leadership... Western Republicans have grown weary and uneasy under Eastern leadership. They are preparing to assert themselves. It is an open secret that the 'farm bloc' hopes to ride the Republican councils of 1924 with spurs a foot long. Senator Kenyon and others are now being tested for their powers and qualifications as chieftains. The National Farm Conference to deal with agricultural depression will emphasize the trend. Western interests refuse to be denied. The beef and pork, wheat and corn of theplains and the corn belt are talking back to the banks, the steel and the textiles of the East... The death of Senator Penrose hastens an inevitable trend. With him departs from Pennsylvania and the East the headship of the powerful Senate Committee on Finance. It passes to McCumber, of North Dakota, also second from the top on the Foreign Relations Committee, with Senator Borah, of Idaho, now just two places below Lodge, of Massachusetts. The overlordship on tariff and revenue moves from Pennsylvania, old, staid and conservative, to the windy plains of North Dakota, where flourishes the Non-Partisan League of Townleyism...No sudden break with the past is likely. Under McCumber the tariff will move along much as it did under Penrose. The North Dakotan may think oftener of wheat, hogs, corn and beef than of steel and textiles, but he is nobody's radical, although accused of secret affiliations with Townleyism...There is no cause for alarm in Western domination. Things will go along. There is less radicalism in the West than the East likes to believe. The West will demand certain matters, but in general the differences that do exist are more in methods and in language than of aims. The McCumbers, Kenyons, Norrises and Borahs may dream somewhat of social evolution but not of political revolution."

Federal Supervision Opposed — Farm organizations in Minnesota have filed protests with President Harding and the Secretary of Agriculture against substitution of Federal supervision of the South St. Paul stockyards for the State supervision now in effect there. (Press, Dec. 3.)

Section 2.

Agricultural Financing — "A Washington dispatch says: 'Arbitfary methods employed by certain bankers in agricultural districts which have caused thousands of farmers to face bankruptcy for lack of badly needed credit, were scored by Governor W.P.G.Harding of the Federal Reserve Board'. When complaint has been made to any bank it has usually developed that pressure that caused the draining of farm bank money to Wall Street and foreign countries came from Washington. Seeing the buck passed after untold damage has been done is little satisfaction to those who have been hurt." (Shorthorn World, Dec. 25.)

Agricultural Outlook

In its review of the year and outlook in agriculture, The Philadelphia Public Ledger, Jan. 1, says: "Conditions on farms of the United States were not cheerful early in 1921. This was true in all branches of agriculture, particularly cotton, wheat and tobacco. Wheat and cotton sold at the lowest prices in years, while tobacco sales were unsuccessful, growers in many States advocating radical reduction in acreage. One of the first favorable factors was the resumption of farm loan bank activities March 1. A court decision opened the market for the sale of bonds of these organizations. The land banks agreed on uniform rules soon after, and $200,000,000 in credits in the corn belt were taken over. The total holdings of grain at this time were the greatest in the history of the country... The farmers were among the first to make readjustments. Steady sales of products and rigid economy enabled them to meet the debts to banks and stores. Prospects at the close of the year for the world's grain crop were excellent. Good reports have been received from many sections of the United States, the Argentine, Australia, Canada, and parts of Europe. Secretary Wallace, of the Department of Agriculture, predicted December 11 that gradual improvement would come."

Cattle Trade

An article by J. E. Poole in the Shorthorn World for Dec. 25 says in part: "Within the past 30 days cattle trade psychology has undergone a radical change. Liquidation of breeding and stock cattle has been effectively arrested by funds made available by War Finance Corporation disbursements. Cows have been taken off the market, in fact they are difficult to buy anywhere in the West and there has been a gradual advance in values of stock cattle. The scarcity of thin young cattle is already so great that they are selling as high as fat little steers forced in to meet notes. It is likely that a thin yearling will be worth as much as, if not more than a fat one before spring. The feeder is in much less secure position than the breeder for the moment as his market it constantly saturated while there is an admitted dearth of stockers. The feeder is penalized by lack of beef demand, although this condition may change over night, a strong probability if supply could be cut 10 to 15 per cent, thereby eliminating saturation of both cattle and dressed beef markets."

Cooperative Dairying

"The Oregon Dairymen's League is in trouble. Dissension among its members and dissatisfaction with the management threaten to put the organization on the rocks, and give a set back to cooperation in Oregon from which it will take years to recover...Unlike Washington where cooperation among dairymen is working well...Oregon does not seem to have found leaders strong enough to hold her dairymen together and stimulate confidence among them during the trying period of establishing their business and getting it thoroughly under way. If the dairymen of Oregon are wise to their own interests they will make every sacrifice to hold together and keep their plants running under their own management or by managers selected by themselves." (Northwest Dairyman and Farmer, December)

Cooperative Marketing

"Ex-Governor F. O. Lowden evidently does not share a certain great editor's idea that farmers who try to protect themselves through organization are bolshevistic. Having large farms himself and finding the advantages of cooperation he signed a contract to market all the cotton from the 32,000 acres he owns in Arkansas through the Arkansas Farm Bureau Cotton Growers' Cooperative Association. It is reported that the ex-governor declared the farm bureau was the best organization of farmers ever attempted, and that cooperative marketing was the only salvation ofthe producer. (Shorthorn World, Dec. 25.)

Muscle Shoals

The Construction Company of North America is a competitive bidder for the Government's nitrate plants and power sites at Muscle Shoals, C.C. Tinkler, president of the corporation, announced at Florence, Ala., Jan. 2. (Press, Jan. 3.)

Section 3.

MARKET QUOTATIONS

Farm Products

The grain market was unsettled during the week ending December 31, Chicago May wheat registering a net decline of 2¢ and closing at $1.15; Chicago May corn down 2¢ at 53½¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.15; No. 2 hard winter wheat $1.09; No. 2 mixed corn 47¢; No. 3 white oats 34¢. Country offerings small; receipts light.

Potato markets strengthened during the week with demand and movement slow. Sweet potatoes had a limited demand in most city markets but prices advanced. Apple markets slow and steady with demand limited. Cabbage markets generally slow and dull at higher prices.

Chicago hog prices show net declines for the week, due to excessive runs and sharply declining values during the last two days of week. In the cattle market stock selling near the lower end of the various price ranges advanced 25¢ to 50¢ while that selling near the upper end of the ranges remained unchanged. Prices in eastern wholesale fresh meat markets trended upward but the advances were only moderate.

Holiday inactivity in the hay markets continued. Receipts light but equal to limited demand. Prices firm at Chicago and Minneapolis. Millfeed market continued inactive. Wheat feed prices firm on light production; demand light, offerings slightly larger. Demand for other feeds only fair.

Butter markets unsettled; heavy fall production and imports chief disturbing factors. Cheese markets quiet.

Spot cotton prices up 48 points closing at 18.37¢ per lb.New York January futures up 61 points at 19.07¢.(Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Dec. 31: Average closing price 20 industrials 81.10; average closing price 20 railroad stocks 74.27.(Wall St. Jour.,Jan.2.)

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Vol. IV, no. 2. Section 1. January 4, 1922.

Farmers Praise Armament Conference

Approval of President Harding's course in calling the armament conference was voiced by farmers of the country yesterday when letters and resolutions signed, it was said, by more than a quarter of a million farmers in more than half the States were taken to the White House by officials of the American Farm Federation Bureau. The letters said that not only was permament peace desired, but it was the hope that an end would be put to the extravagant expenditure of the Government in the payment for the preparation for war as represented in the maintenance of a larger army and navy. (Press, Jan. 4.)

Tariff Legislation

Acting chairman McCumber, of the Senate Finance Committee, announced Jan. 3 that the tariff proposals of the farm bloc of the Senate would be heard Jan. 5. Representatives of the Southern Tariff Congress and two or three individuals then only will remain to be heard before the formulation of the bill will be started. (Press, Jan. 4.)

Scientists Pass Resolutions on Department Changes

Declaring that the forestry work of the United States Government and the national forests are linked with the agricultural work, scientifically and practically, the American Association for the Advancement of Science at Toronto passed resolutions opposing the transfer of the United States Forest Service from the Department of Agriculture to the Department of Interior, as proposed in bills before Congress. The Society of American Foresters passed similar resolutions.

Congress was asked in another resolution to authorize the resumption of suspended governmental periodicals, such as the Journal of Agricultural Research, Experiment Station Record and the Monthly Weather Review, The American Society of Zoologists also passed similar resolutions. (Press, Jan. 4.)

Senate Leadership

The New York Times to-day says in an editorial on "The Leaderless Senate": "The Senate had need of him. He (Senator Penrose) was almost indispensable at this time because he was old-fashioned enough to be proof against those delusions, economic and other, which from time to time invade even the Senate Chamber. Some minds are the natural lodging places of half-baked ideas; others are altogether immune from that infection. Of the former class were the Grangers, the Greenbackers, the Populists, and the Free Silver hosts. It is from those States of the Union where these old-time delusions were chiefly prevalent that their modern counterpart has arisen to influence and some power. The agricultural bloc is their successor. Its members in the House and in the Senate come from the States where the Grangers many years ago did their best to ruin the railroads and raise Cain generally. This bloc in the Senate Mr. Penrose was not able to control, but he could resist it, and he did a great deal to avert the worst consequences of its activity. Mr. McCumber, who by the foolish rule of seniority succeeds him as Chairman of the Finance Committee, is very much in sympathy with the aims of the agricultural bloc. It is not merely that the leaders and members of the bloc are moved by the selfish purpose to use the power of legislation to benefit one class of the population--we have had examples of that. The danger is that in their profound ignorance, often displayed, of the commonest economic principles they may shape legislation in a way to inflict injury upon all classes. The farmers are in a serious plight--everybody knows that. In such times of adversity they are easily persuaded to run after false leaders, to take up with nostrums..."

Agricultural Bloc Lauded

Defending the "agricultural bloc" in Congress as a national asset and a landmark of national progress," President Howard, of the American Farm Bureau Federation, told the third annual convention of the Minnesota Farm Bureau Federation at St. Paul, Jan. 3, that the "agricultural bloc is responsible for practically every item of constructive legislation passed by Congress in the last six months." He said, further, "The bloc in both the Senate and the House of Representatives, is interested in the economics of the present situation and is not playing politics. Over this new-born legislative baby left on the doorstep of Congress the fathers of the Nation are showing much concern. No one would argue that the farmers, representing a third of the population of this country and with a purchasing power of 40 to 60 per cent are not interested with the rest of the Nation in such subjects as taxation, transportation and finance. Through the agricultural bloc they have been given a hearing and Congress, for the first time in years, has taken constructive action. (Press, Jan. 3,)

Cotton Sailings

Arrangements for an improved service to cotton shippers and other exporters from gulf ports to Liverpool, England, have been completed by the Shipping Board, Vice President Love, of the Emergency Fleet Corporation, announced yesterday. (Press, Jan. 4.)

Agricultural Financing

1. The War Finance Corporation announces that, from December 29 to December 31, inclusive, it approved 255 advances, aggregating $9,359,000, for agricultural and live-stock purposes in the West and Southwest. It also announces that during the week ended December 31, 1921, the War Finance Corporation approved a total of 372 advances, aggregating $13,053,000, for agricultural and live-stock purposes. (W.F.C. press statement, Jan. 3.)

2. The press to-day reports that Eugene Meyer, Jr., Director of the War Finance Corporation, recently returned from a western tour, states that he is urging farmers and breeders not to market their young stock before it is mature. While he admits that farmers and rural bankers have real problems to worry about, he assures them there is ample credit to finance their operations and that the time has come for them to look forward rather than backward. Conditions will be made better, he thinks, as soon as a few million dollars are put out in a State. Not only will borrowers be benefited, but the pressure will be lightened on banks, thus making loans available for other industries. On his trip Mr. Meyer said he found a lack of confidence among bankers and farmers as well as a lack of money. He is confident the corporation will be able to cope with the situation.

American Valuation Plan

"Many thousand business men who voted the Republican ticket because they believed in a protective tariff are now bombarding Congress to remove the joker inserted by certain manufacturing industries seeking a monopoly of American trade. The joker is known as the 'American Valuation Plan'...It is recognized that the valuation plan not only gives the American manufacturer the opportunity to boost prices...but prevents foreign business relations which are absolutely necessary if Europe is ever to begin paying its debts to this country. The American valuation plan is vicious. Under its provisions no importer may know just what tariff he is to pay...As the wholesale value on this side is much higher than the value placed on an article in the country of its origin, a duty of 20% which looks innocent enough, actually means from 40 to 50% on this side." (Farm and Ranch, Dec. 24.)

Farm Conference Criticized

The New York Times, Jan. 1, says:"Sarcastic references were made to President Harding's proposed national conference on agricultural problems by the Farmers' National Council, in a statment issued at its headquarters Dec. 31. The conference'of farming interests plus the interests related thereto, that is, interests which have exploited agriculture, will doubtless be the same sort of a bluff and a fraud as the President's conference on unemployment and the President's conference to limit the limitation of armaments,' it was said. 'There was plenty of legislation before the last session of Congress to relieve agriculture,' said the statement, 'but the big financial and monopoly interests killed it.'"

Freight Rates

The 16½ per cent reduction in freight rates on hay, grain, alfalfa and grain products, ordered last month by the Interstate Commerce Commission for trans-Mississippi territory is to become effective Jan. 7. This was stated Jan. 3 by traffic officials. This rate cut, together with the voluntary 10 per cent reduction in farm products for all territories, excluding New England, which became effective Jan. 1, will reduce the revenues of the country's railroads by approximately $80,000,000. Operating executives said the Interstate Commerce Commission's figure of $93,000,000 was too high. The 10 per cent cut is to run for a period of six months. (Press, Jan. 4.)

Grain Trading

In his review of the year in the grain trade, in Price Current-Grain Reporter for Dec. 28, J. P. Griffin, president of the Chicago Board of Trade, says in part: "Turning specifically to the grain trade, it may be said that the last eighteen months have constituted one of the darkest periods in history. From the day price deflation hit agricultural products the grain trade has struggled as never before against the elements that tend to upset the natural operation of the marketing machinery. These menaning elements have included widespread and usually selfish criticism of the whole grain distributing system--introduction in legislatures and in Congress of a score of proposed laws with the single purpose of wrecking the marketing system and substituting experimental methods; intemperate marketing by farmers at critical periods and the withholding of grain on the advice of professional organizers at times when the surplus could in a measure have been absorbed at greater profit to the farmer...Competent speculation, always recognized by highest authorities as an essential to the economic distribution of grain, has been virtually driven out of the market...The grain trade has been harassed by law-making bodies. Like many other lines of business it dreads the groups and 'blocs' that attempt to drive through class legislation and write into the statute books laws that discriminate against the many in favor of the few...The Capper-Tincher law to regulate exchanges is now in effect. All of its provisions do not now apply to the Chicago Board of Trade because some members desired to test the law. Nevertheless, the officers of the Chicago Board of Trade and of other exchanges have pledged their support to the Government in carrying out the provisions of the law as long as it is judiciously administered. What the full effect of that law will be can not now be determined."

Section 3.

Department of Agriculture

1. The Price Current-Grain Reporter for Dec. 28 says in an editorial: "The Secretary of Agriculture has attributed the cotton crop blunder of the Crop Reporting Board to the fact that 'Congress by cutting down the appropriations for the Department of Agriculture had "starved" the department.' This is disingenuous. The committee in charge of the agricultural appropriations can not really be thought to have 'starved' the department, which

now gets approximately $28,000,000 a year vs. $17,000,000 in 1912 and so on. The department has had 'money to burn.' It has not been 'starved' at all; rather it has been made a wanton spendthrift. But the old Bureau of Crop Estimates did have its allowance cut down and was 'starved,' while on the other hand, the Bureau of Markets, the feathered nest of youthful and professional faddists and the social fakers of the department, and the States Relations Service, an incontinent wastrel of four to five million a year on county agents to promote socialistic schemes among farmers, had funds poured in upon them out of all proportion to their needs or their value to any one--the $6,000,000 or more spent by a Bureau of Markets was in large measure a pure waste on impracticable and useless theories and follies. Aside from its work on grain inspection the B.M. is a costly joke. And no one should know that better than the management of the department itself. It was so well known to the heads of the Bureau of Crop Estimates and of Markets that they worked together to consolidate the two bureaus, the head of the former no doubt hoping to get money enough to make his crop estimating as exact a science as possible, and of the latter to conceal perhaps the puerile spendthrift waste going on in the Bureau of Markets. Let the department play the game on the square; spend its plethora of funds for the things worth while, as, for example, work to make a dependable crop reporting board, and cut out the tomfoolery of the Bureau of Markets. At least it ought not to try to hide more nonsense, such as 'agricultural social research' bumcombe of the high brows, in an appropriation for a Bureau of Agricultural Economics, which would have in its make-up no conception of decent agricultural economics (or public economy.)."

2. "It is the irony of stupid legislation that the Supreme Court of the United States had to be called on to force the Secretary of Agriculture to designate the Chicago Board of Trade grain exchange a 'contract market.' Ye gods! Here is the greatest grain market in the world, in which grain is bought and sold on contracts by traders located in all parts of the grain-consuming world, and yet legally at this moment its status as a 'contract market' is in the air. Where can the limit of Agricultural Bloc stupidity be fixed?" (Price Current-Grain Reporter, Dec. 28.)

Section 4.
MARKET QUOTATIONS

Farm Products

Jan. 3: Grain prices broke sharply on liquidation induced in part by weakness in stock market, July wheat reaching new low on crop. Visible supply wheat 49,468,000 bushels, an increase of 37,000 bushels for week. Corn declined with wheat. Reduction in freight rates went into effect Jan. 1 and country showed decidedly more disposition to sell. Visible

supply corn 23,279,000 bushels, an increase of 1,711,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.11; No. 2 hard winter wheat $1.02; No. 2 mixed corn 46¢; No. 3 white oats 33¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 33¢; to farmers in Central North Dakota for No. 1 dark northern wheat $1.07; to farmers in Central Kansas for No. 2 hard winter wheat 92¢. Chicago May wheat closed at $1.08; Chicago May corn 52¢.

Chicago hog market lower, bulk of sales $6.75 to $7.40. Beef steers fairly active and strong to 25¢ higher; medium and good beef steers $6.50 to $9.15. Butcher cows and heifers generally steady at $3.35 to $8. Fat lambs steady to strong at $10.50 to $11.75.

Chicago potato market lower; other markets firm to strong. New York Round Whites $2 per 100 lbs. sacked f.o.b. Maine Green Mountains in bulk $1.81 f.o.b. shipping points. Maine Baldwins No. 1 from common storage $6 to $6.50 per bbl.; cold storage stock $7 to $7.50. New Jersey sweet potatoes $2 to $2.25 per bushel in New York.

Spot cotton lower at 17.88¢ per lb. New York January future also lower at 18.33¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 3: Average closing price 20 industrials 78.91, as compared with 72.76 corresponding day 1921; average closing price 20 railroad stocks 73.48, as compared with 76.21. (Wall St. Jour., Jan. 4.)

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National Questions

In a review of current events, in The Washington Star, Jan. 5, David Lawrence says: "The emphasis has turned again from international to national questions--or rather from external to internal matters. President Harding has started the new year with his mind fixed on straightening out, as far as possible, the economic situation which confronts his administration, in the hope that the next few months will provide some cure which will help the Republicans retain control of Congress in the fall elections... Meanwhile the calling of an agricultural conference by Secretary Wallace, the consideration of a new tariff act which shall give the President plenty of discretion to fix rates as conditions change, pressure to get power from Congress to arrange for a refunding of the allied war debt and the unique situation which has arisen in the Senate, finance committee through the death of Senator Penrose have brought about a general situation which for the moment far overshadows the arms conference."

Government Publications

A bill providing for the restoring of certain Government publications suspended last December by a blanket congressional order was introduced in the House, Jan. 4, by Representative Johnson, of Washington, a member of the Joint Committee on Printing. Among the publications which would be restored are the Journal of Agricultural Research, the Experiment Station Record and the Monthly Labor Review, while the Crop Reporter, the Market Reporter and the national Weather and Crop Bulletin would be consolidated. The weekly commerce reports, which were not affected by the suspension order, would be limited under the Johnson bill to forty-eight pages a week and to a circulation of 7,000. Army and navy publications would be placed under the control of the Joint Committee on Printing. Each Government department also would be authorized to publish an organ for circulation among its employees. (Press, Jan. 5.)

Drummond Denies Secret Deal

W. I. Drummond, of Kansas City, chairman of the board of governors of the International Farm Congress, Jan. 4 issued a statement denying recent charges by Senator LaFollette that an agreement not to push legislation to repeal the so-called guaranty section of the transportation act and to restore State control over intrastate rates was obtained from farm organization leaders at a conference in Washington with representatives of the railroads and of coal and lumber interests. (Press, Jan. 5.)

Senator McCumber

"It has been said that Senator McCumber is a member of the agricultural bloc, and that hence that group in the Senate comes into new power and prestige. The facts are precisely the contrary. Senator McCumber is not a member of the agricultural bloc and has never attended one of its meetings...Coming from a farm State, he is naturally a supporter of all legislation helpful to agriculture, but on finance and the tariff he is a conservative. Senator McCumber is an able and experienced senator, on the floor and in the committee. He is a good floor manager, and the fact that he demonstrated marked ability in handling the tax bill has assured his colleagues of his ability to handle adequately the tariff bill when that is put upon its passage." (G. R. Brown, in Wash. Post, Jan. 5.)

First Budget Plan Appropriation Bill

The first bill under the new Federal budget system of grouping appropriation measures according to departments was presented to the House Jan. 4 and will be taken up for consideration to-day. This bill includes recommendations for appropriations to cover all activities of the Treasury Department, which have heretofore been scattered through several measures. (Press, Jan. 5.)

U. S. Bank Branch in Europe Advocated

The establishment of a European Federal Reserve Bank, providing a gold-secured currency and linked inseparably with the American Reserve System, from which it would draw its resources and reserves, was advocated in the Senate Jan. 4., by Senator Owen, as a basic move toward restoration of stable economic conditions throughout the world. (Press, Jan. 5.)

Farm Conference Criticized

"More Help for the Farmer" is the title of a lengthy editorial in The Journal of Commerce, Jan. 3, which, after reviewing Federal aid already extended to agriculture, says: "The net result of these efforts can hardly be adjudged helpful either to the farmer or the country. Not to be outdone, however, authorities at Washington now plan a conference to determine just what can be done to render effective aid to the farmer in the present situation...This recent move on the President's part is probably to be considered as one of political expediency largely, but it none the less is indicative of the trend of thought of large groups of citizens...The abiding problems of agriculture are real enough. Their solution, however, requires steps quite different from those now all too frequently proposed...There is urgent need of a clearer understanding of what is called our agrarian problem. 'A well-balanced economy'--a term now widely heard--can not be achieved in any real or sound sense by artificial means..."

Live Stock

Receipts of live stock at the South St. Paul market for 1921 show a decrease of about 20 per cent, compared to 1920. The main decrease was in cattle and sheep receipts. (St. Paul dispatch to press, Jan. 4.)

Section 2.

Agricultural Bloc Criticized

An editorial on "Congressional 'Blocs'" in Chicago Journal of Commerce for Jan. 3 thus defines the word "bloc": "The primary meaning of the French word 'bloc,' as used to designated organized groups in Congress, is 'a hindrance, an obstruction.' For instance, the farm bloc was composed of a group of members whose purpose was to hinder and obstruct all other legislation until the demands of farmers for legislation were complied with. Their organization was (to use our plain English word) to block all legislation and compel Congress to meet their political needs by putting that sort of an arbitrary brake on all its business. It requires but little imagination to see what Congress would become if every interest of every section, every trade and every profession established a bloc against all other interests; either everything would go through or nothing. The fundamental fault of the bloc as a legislative weapon is that it considers not the general welfare of the people of the Nation at large, but the especial need of some particular section or occupation, and puts that need over and above and against the legislative needs of the country as a whole. In this view, and we believe it to be the correct one in actual fact, if not in deliberate purpose, the bloc abases and belittles true patriotism. It makes of groups of congressmen bands of raiders, out to compel unfair favors for special interests rather than supporters of the general public weal the country over. Agricultural blocs, industrial blocs, may thrive for a time, but the bloc system in Congress means the ultimate destruction of party government, and the organization of legislative bodies into a score or more of groups whose first purpose is unfair advantage over the general interests of the country at large..."

Agricultural Bloc Defended

"Capper's Defense of the Farm Bloc" is the title of an editorial in New York Commercial, Jan. 4, which says in part: "No one can quarrel with the statement made by Senator Capper on the floor of the Senate recently in a speech defending the activities of the so-called 'farm bloc,' in which he stated that 'acute agricultural depression is a serious obstacle to business recovery. Better business conditions can come only after better agricultural conditions are restored; 'although it would probably have been more correct to say that better conditions can come only 'as' better agricultural conditions are restored. It is not possible, however, to go the full distance with Senator Capper in his argument for the support of all the legislation that has been supported by the farm bloc. His theories of the importance of the agricultural interests to the Nation at large are correct, but it does not necessarily follow that everything proposed in behalf of the farmers is equally sound. The general principle can be laid down that some form of banking machinery should be devised that will care for the farmers' credit requirements in equivalent degree to those of the manufacturer or the merchant...It is a mistaken theory that a farmer member of the Federal Reserve Board could have averted the price collapse which has overtaken the farm-

ers. His presence might have been beneficial in that he might have been able to convince his agricultural brethern, after viewing things from the inside, that the Federal Reserve system functioned admirably under the circumstances...If the so-called farmers' bloc can develop legislation that will reach the fundamentals it will have not only the sympathy but the support of the entire country...If on specific problems they will devote themselves to the development of better marketing facilities and in a larger sense the development of foreign trade they would be getting down to the root of their own troubles and those of the Nation at large."

Farm Women

A Chicago dispatch to the press of Jan. 4 states that protests by farm women against being called overworked and downtrodden have followed steps taken by the American Farm Bureau Federation for a national organization of women on the farm. "Farm women in numbers are beginning to realize the harmful effect of this old-fashioned publicity," declares Mrs. Izetta Jewell Brown of Kingwood, W. Va., a leader in this movement. She says: "The farm women, who have awakened to their own possibilities, say quite frankly that they want to start a campaign of optimism about country life. They don't want to be pitied or patronized, just understood--and, if possible, a little idealized! They would appreciate it for a change."

Meat Packing Industry

In his review of the year's trade, published in New York Commercial for Jan. 3, Thomas E. Wilson, President, Institute of American Meat Packers, says: "All business may find a good omen in the fact that the largest industry in the United States--slaughtering and meat packing--apparently has finished the year 1921 with a normal annual production and that this production has not been crammed into warehouses, but has passed freely into trade channels and thence into consumption."

L. D. H. Weld, Manager, Commercial Research Department, Swift & Co., says in his yearly review of the industry, in Chicago Journal of Commerce, Jan. 3: "The live-stock and meat situation during the last year has not been one to cause happiness either to farmers or to the packing industry. It is true that prices of live animals have returned to practically prewar levels, but this has apparently discouraged cattle production, for the number of cattle sent to market was over 10 per cent smaller than during the previous year. Receipts of hogs have been about the same. The sheep marketings were a little larger, but the stock of sheep on farms has probably suffered in consequence."

Milk Production Decrease

The Chicago Dairy Produce for Dec. 20 characterizes as "a foolish notion" the movement among farmers to restrict production, stating that milk is singled out as one of the items which are being produced too plentifully for the best interests of the producers.

Tariff Legislation

"The Senate in Transition" is the title of an editorial in The Journal of Commerce, Jan. 4, based upon effects resulting from the death of Senator Penrose. This says in part: "The tariff is simply another instance of the low estate reached in the Senate, and its promise is merely that of a piede of unlicensed and unrestrained jobbery, in which an unwieldy and impossible bill is finally railroaded through a legislative body by concessions to every interest affected by the duties it contains. Mr. Penrose might, and probably would, have been more or less successful in restraining some of the elements which would have been mostlikely to make the measure too obnoxious and ridiculous, but he could hardly have done much else."

Section 3.

MARKET QUOTATIONS

Farm Products

Jan. 4: Chicago May wheat higher at $1.11 5/8; Chicago May corn higher at 53½¢. Better demand for cash wheat; export demand good. Corn demand improved; exporters after cash corn. Closing prices in Chicago cash market: No. 2 red winter wheat $1.16; No. 2 hard winter wheat $1.07; No. 2 mixed corn 47¢; No. 3 white oats 34¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 34¢; to farmers in Central North Dakota for No. 1 dark northern wheat $1; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market lower, bulk of sales $6.85 to $7.40. Cattle mostly steady on all classes; medium and good beef steers $6.50 to $9.15; butcher cows and heifers $3.35 to $8. Fat sheep and lambs generally strong to 25¢ higher; fat lambs $10.75 to $11.85.

New York potato market advancing; Chicago firm; Philadelphia and Pittsburgh steady. New York sacked Round Whites up 5¢ at $2.05 per 100 lbs. f.o.b. Maine Green Mountains in bulk steady at $1.81 per 100 lbs. f.o.b. Maine No. 1 Baldwin apples from cold storage up 50¢ at $7 to $8 per bbl. in Boston. Florida pointed type cabbage firm in Baltimore at $2.25 to $2.50 per 1½ bushel hamper.

Hay market continues inactive; receipts generally light; country loadings in West light because of bad roads and winter weather. Demand dull. Wheatfeed offerings light from Northwest but increasing from Southwest. Bran prices continue fairly firm but middlings are slightly weaker.

Butter markets continue weak and unsettled. Trading at close confident. Cheese markets quiet. Fancy cured cheese firm.

Spot cotton higher at 18.05¢ per lb. New York January future also higher at 18.74¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 4: Average closing price 20 industrials 79.61, as compared with 73.13 corresponding day 1921; average closing price 20 railroad stocks 73.91, as compared with 75.91 (Wall St. Jour., Jan. 5.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 4. Section 1. January 6, 1922.

National Agricultural Conference

Referring to the national conference on agriculture called by Secretary Wallace to meet in Washington on January 23, The Washington Post to-day says in an editorial: "The country has good warrant for looking forward with confidence to this meeting, since it will bring into close contact the representatives of producing and distributing industries which have a direct and vital bearing upon the health, comfort and prosperity of the Nation. It will present an opportunity for mutual understanding which ought to prove of great benefit to the country...After ample opportunity for exchange of views and for consideration of various policies, it is anticipated that a constructive program of recommendations will be submitted to the President, which doubtless will be passed along to Congress for enactment into law... There was left at the White House recently a memorial signed by more than 250,000 farmers of the United States commending President Harding for calling the conference on limitation of armaments. They approved his course in this matter and took that method of showing their approval. These same farmers will be inclined to show even a deeper interest in the agricultural conference soon to open, since the subjects to be discussed affect them directly and have an important bearing upon their personal prosperity. The agricultural industry has been hit hard by the quick deflation of prices of farm products, and it is clearly the duty of the Government to use its influence toward applying every feasible remedy. The President has undertaken to do this in a practical and sensible manner, which holds out good promises of results."

Reserve Board Appointment

Senators Kenyon, Capper and Kellogg, the first two being members of the "agricultural bloc," discussed with President Harding Jan. 5 the bill before the Senate which would require the appointment of a representative of agriculture on the Federal Reserve Board. The President stated that he favored any legislation that would tend to relieve the agricultural situation, but did not approve a law making it mandatory to name a representative of a special class. (Press, Jan. 6.)

Lumber Association Decision

The press to-day announces that Secretaries Wallace and Hoover and a representative of the Federal Trade Commission will meet to-day with Attorney General Daugherty to consider the effect of the recent decision of the Supreme Court in

the Hardwood Lumber Association case in certain operations of trade associations. In announcing the conference, Mr. Daugherty said they would meet with a view to formulating a uniform and consistent Government policy in reference to such operations.

Another Muscle Shoals Offer

A new proposal for the lease and operation of the Government's nitrate and water-power projects at Muscle Shoals, Ala., was received Jan. 5 by Secretary Weeks from Frederick E. Engstrum, of Wilmington, N. C., president of the Newport Shipbuilding Company, of that city. Mr. Engstrum guarantees to complete the plant for $36,000,000 and to operate it for the manufacture of fertilizer nitrates to its limit. He will maintain the plant, he says, at his own expense and will sell the products at prices established by the Secretary of Agriculture and supply all demands, regardless of other business interests. (Press, Jan. 6.)

Section 2.

Agricultural Bloc

The Wall Street Journal to-day says in its leading editorial: "The agricultural bloc, while immoral, is not wanting in a sort of short-sighted cunning. Taking advantage of modern publicity methods, which big business invented for its use, the bloc contrives to get a great deal of space on the front page of journals openly opposed to it. The articles, although not commendatory, predict success for the movement, and that is all the bloc expects, for its members know that there is always a large detached minority that will be attracted to a successful movement no matter how base may be the principles on which it is founded. It is not so many years ago that the Middle West States saved most of the labor costs of their harvests by arresting the itinerant laborers at the close of the crop-gathering season and fining them for vagrancy whatever remained of their wages. This game was invented in Kansas, but the trick was so appealing that its popularity rapidly spread to the sister commonwealths. Hence the shortage of harvest hands....It is not surprising, therefore, that a Congressional representative who grew up in such an atmosphere should attempt to coerce France into diminishing her submarine demands by introducing a bill requiring her to pay full interest and part principal on her debt forthwith. Without regard to the merits of France's position, criticism is directed at the black-jack methods employed. In its immorality and turpitude, this bill deserves to rank with the stand of the agricultural bloc on the railroad funding bill. Apart from the fact the bloc required the Government to default on a righteous obligation, the bloc was not directly interested in the railroad bill itself. Its opposition was a club, that happily proved to be stuffed, wielded with the purpose of obtaining freight rates below the tariffs to which the constituents of the bloc were entitled by law... Events in Washington that receive the approbation and plaudit of the Middle West would subject their authors, were they members of any exchange in this city, to an investigation by the committee on business conduct."

Agricultural Financing

The War Finance Corporation announces that on January 3 and 4, 1922, it approved 107 advances, aggregating $2,671,000, for agricultural and live-stock purposes in the West and South. (W.F.C. press statement, Jan. 6.)

Agricultural Situation

1. In its financial and business review and outlook, The Financial Age, Dec. 31, says: "There is no denying the unfortunate position that many farmers and producers have been placed in as a consequence of the sensational decline in food products. It is not known how much farther, if any, this movement will go, but the general idea is that there will be very interesting developments in certain kinds of class legislation unless the producing interests secure prices high enough to admit of fair profit. The whole Nation is interested in strengthening the position of the farmers, but there is no denying the difficulty of readjusting commodity prices so as to compare intelligently with the lowering of food products everywhere. Inasmuch as the farmers represent about 51 per cent of the country's purchasing power, it is easy to see that it is necessary for the people to get together upon a safe and sound basis and make an even greater effort to bring about better balanced living conditions."

Agricultural Situation

2. James B. Forgan, chairman of the board of directors of the First National Bank of Chicago, says in his review of conditions in 1921: "The European situation has brought distress especially to our agricultural community which still represents the largest single industry in our country. More than any other part of the business world the farmers are dependent upon Europe for a proper disposal of their surplus. It must be remembered that of our cotton crop it is necessary for us to export about 52 per cent and of our wheat something like 35 per cent of the normal crop. This means to Europe, which is the chief buyer of these raw materials; to other parts of the world we export manufactured goods rather than raw materials; Europe will be unable to pay until it is possible on the part of this country to extend larger credits to the European countries and, as indicated above, the situation abroad is still too uncertain for American investors, generally speaking, to be willing to risk large sums in the purchase of securities of the war-distressed countries." (Jour. of Commerce, Jan. 5.)

"Eat More Meat" Campaign

"The Chicago Packers are getting active in denouncing those who are endeavoring to persuade the people to drink more milk and giving the people the truth with reference to the superiority of milk over meat. The packers have organized an 'Eat More Meat' campaign. In writing the Reporter concerning this, Dr. John Harvey Kellogg says: 'They seem to have succeeded in persuading the Department of Agriculture to assist them in their pernicious activities. The people have the right to know the truth and these rapacious profiteers ought not to be permitted to scatter misinformation broadcast without a protest.'" (Milk Reporter, Dec. 1921.)

Grain Marketing "With more than 90,000,000 bushels of grain under contract from a membership of 35, 248 grain producers in 11 midwest States, the U. S. Grain Growers, Inc., enter the new year with the road cleared of initial difficulties and with the brightest prospects for steadily increasing success in developing the organization and preparing to handle a tremendous volume of grain in 1922." (U.S.G.G. press statement, Jan. 2.)

Grain Prices Referring to the official investigation by the Federal Trade Commission of the real factors contributing to the unprecedented grain price decline during the harvest seasons of 1920 and 1921, as ordered by the Senate with the passage of Senate Resolution 133, C. H. Gustafson, president of the U. S. Grain Growers, Inc., says: "All eyes now are directed toward the Federal Trade Commission at Washington, speculating as to the man who will be placed in charge of the investigation. The full effect of the powers conferred upon the investigating body may be wholly or partially nullified if a strong man, with the determination that a real investigation shall be made, is not placed in charge of the probe." (U.S.G.G. press statement, Jan. 2.)

Live Stock "Live Stock Must be Saved" is the title of an editorial in The National Provisioner, Dec. 31, which says: "Three recent events indicate that at last the importance of preventing live-stock losses is being recognized. These events were the issuance of special literature and films showinglosses from bruised live stock by the Institute of American Meat Packers, the call for a conference of producers, railroad officials, packers and stockyards representatives...and the tuberculosis eradication conference in Chicago called by Dr. J. R. Mohler, chief of the U. S. Bureau of Animal Industry..."

Section 3.

Department of Agriculture 1. In its review of the meat-packing industry in 1921, The National Provisioner for Dec. 31 says: "A spirit of cooperation has resulted in progress in live-stock production, in preventing bruised live-stock losses, efficiency in marketing, and better retail conditions through establishment of meat councils in various cities, and campaigns to encourage greater meat consumption...There is a closer relation between the industry and Government through the passage of the Packers and Stockyards Act, 1921, and the regulations under it."

2. "The State of Maryland is furnished food for thought by the announcement of the Department of Agriculture, made public this morning, that grade crossings are to be eliminated on Federal-aid highways. At the very gates of the National Capital and on what is at least one of the most heavily traveled roads in the Commonwealth to the north lies a grade crossing that has taken terrible toll in death and injury to occupants of vehicles..." (From editorial in Wash. Herald, Jan. 6.)

Department of Agriculture

3. "Last week the United States District Court denied the petition of live-stock commission men for an injunction forbidding the Secretary of Agriculture to enforce those parts of the Packers and Stockyards Act which cover their business. The commission men hold, and the United States Supreme Court has heretofore held, that they are not engaged in interstate business, that their business is not a public utility but private, and that they are not subject to Federal control. They will appeal their case to the United States Supreme Court, in the expectation that it will not reverse an earlier ruling on this point. This case should go to the highest court because it involves a vital principle, which is whether any other than interstate business may be regulated by Federal law. In the meantime the commission men will comply with the provisions of the law and with the regulations recently issued by the Secretary of Agriculture." (National Stockman and Farmer, Dec. 31.)

Section 4.

MARKET QUOTATIONS

Farm Products

Jan. 5: Chicago grain market unsettled, advancing early then declining, but firm at close. Chicago May wheat $1.12; Chicago May corn 53 1/8¢. Milling demand for cash wheat improved. Offers on 1,000,000 bushels seed wheat for Russia asked by Grain Corporation. Closing prices in Chicago cash market: No. 2 red winter wheat $1.18; No. 2 hard winter wheat $1.07; No. 2 mixed corn 47¢; No. 3 white oats 34¢ Average price to farmers in Central Iowa for No. 2 mixed corn about 34½¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.04; to farmers in central Kansas for No. 2 hard winter wheat 88¢.

Chicago hog market opened active and closed strong to higher, bulk of sales $7.15 to $7.65. Bulls and fat cows steady to strong; medium and good beef steers $6.50 to $9.25; butcher cows and heifers $3.35 to $8.25. Fat sheep and lambs strong to 25¢ higher; fat lambs $11 to $12.10

Potato markets generally steady; Chicago up 20¢. New York Round Whites steady at $2.05 per 100 lbs. sacked, f.o.b. shipping points. Maine bulk Spaulding Rose strong at $1.86 to $1.91 per 100 lbs. f.o.b. New York Baldwin apples A 2½ steady at $6.50 to $6.75 per bbl. f.o.b. New York Danish type cabbage medium to large sizes $40 per ton f.o.b. shipping points.

Hay market continues inactive. Prices slightly higher in a few markets. More activity expected as freight reductions become effective. Feed buying is generally for immediate needs only.

Butter markets also continue weak and unsettled. Storage butter very quiet. Cheese markets quiet.

Spot cotton lower at 17.81¢ per lb. New York January future also lower at 18.45¢. (Prepared by Bur. of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. IV, no. 5. Section 1. January 7, 1922.

International Economic Council

"Definite action looking to the rehabilitation of Europe from an economic standpoint was taken at the first session of the Allied Supreme Council at Cannes, France, Jan. 6, when unanimous approval was given for the calling of an international financial and economic conference in which Germany and Russia are to have a part. Some time during the first two weeks of March has been set for the momentous gathering, and Genoa, Italy, has been designated as the place where it shall be held. An invitation to the United States to participate has been extended through the American Ambassador to Great Britain, George Harvey, who is there as official observer for his government." (Assoc. Press, Jan. 7.)

Soviet Recognition Extended

"What is regarded by the majority of delegates at Cannes as amounting to recognition of the Soviet Government of Russia was decided upon by the Allied Supreme Council, Jan. 6, when the British proposal for an international, financial and economic conference with the participation of Russia and Germany was approved unanimously. The conditions attached to Russian participation are that soviet Russia cease bolshevik propaganda abroad, that she undertake not to attack her neighbors and that she recognize all honorable obligations entered into by preceding Russian governments." (Assoc. Press, Jan. 7.)

Farmer on Reserve Board Approved by the President

Inclusion in pending legislation to amend the Federal Reserve Act of directions to select representatives of agriculture along with representatives of commerce and industry in appointments to the Federal Reserve Board would meet with no objections from the Administration, it was said Jan. 6 at the White House. President Harding, it was added, is of the opinion that agriculture as a primary industry is entitled to consideration along with other such industries in the composition of the Reserve Board. (Press, Jan. 7.)

St. Lawrence Canal

The projected St. Lawrence seaway to bring ocean ships directly to Great Lakes ports is approved by the international joint commission, representing the United States and Canada, in a report transmitted simultaneously to the Secretary of State and the Ottawa government, Jan. 6. (Press Jan. 7.)

Lumber Association Decision

High Government officials in conference Jan. 6 with Attorney General Daugherty failed to reach an agreement upon a Federal policy toward trade associations in the light of the interpretation of the Sherman antitrust act by the Supreme Court in the recent Hardwood Lumber Association decision. Another conference is to be held to-day. (Press, Jan. 7.)

Freight Rates on Grain to Russia

The press of Jan. 6 stated that according to Herbert Hoover, Secretary of Commerce, and chairman of the American Relief Committee, American shipping interests have increased their rates for the transportation of grain to the starving population of Russia by 30 per cent since Congress on Dec. 22 adopted legislation appropriating $20,000,000 for relief work in Russia and stipulated that the food must be carried in American ships. To-day's press states that President Harding will determine what freight charges are to be paid on grain sent to famine sufferers in Russia.

President and Senators

An editorial entitled "The President's Duty," in to-day's New York Times, says: "President Harding has vainly tried to impress on Senator Kenyon and Senator Capper, magnates of the agricultural bloc, the objections to the Senate bill giving the farmers a special representative on the Federal Reserve Board. The objections are obvious, but they don't weigh a feather in the minds of the professional farmers of the Senate. They have had their way in so many things that they are bound to have it in all. A group government, class legislation by group government, is the program which the Democrats are perilously following. Its continuance means the ultimate paralysis of party government...If there is anybody who can stop that ceremony, it is President Harding. He had to admonish the Congress Republicans to fulfill their pledges--though they didn't--in regard to tax revision. He has warned them gently of the dangers of class legislation...But the time for nonaction, or merely mild and genial suggestion, has passed. If he means to save the Republican Party; if he means to save the country from further impositions by a revived and greatly strengthened Farmers' Alliance-Populist-Democratic-Republican combination, he must adopt the methods and display the fearlessness of Grover Cleveland and of Woodrow Wilson."

Section 2.

Agricultural Bloc in Canada

The Washington Herald to-day quotes the following item from the St. Louis Glove-Democrat: "The possibilities of the farmers' 'bloc' in Canada, which starts with 64 members commissioned directly at the polls as 'bloc' members, and not as members of the traditional political parties, are most interesting. The Washington 'bloc' without a single member having a mandate from the polls has gathered great power to itself. The Ottawa 'bloc' which begins with a nucleus of 64 members and is favored by the close division of the House between the political parties, has the same opportunity to draw adherents from other parties. Perhaps the results of this Canadian election foreshadow changes in our own political line-up. We may see candidates running as farmer 'bloc' candidates rather than as Republicans or Democrats."

Agricultural Situation

1. "Wise Words from Wise Men" is the title of an editorial in The Progressive Farmer, Dec. 31, which says: "It is gratifying to see how rapidly the country's foremost minds are coming into a practical agreement about a necessary program for the relief of American Agriculture. President Harding has just declared for cooperative marketing of farm products. Along with cooperative marketing must also go a better study of the world's markets and a better adaptation of crops to market requirements. 'It is our duty as farmers to recognize the fact that our European market has been largely destroyed for the time being,' as Governor Henry C. Stuart, one of America's largest farmers, said at the Virginia Farm Bureau meeting...Practically the same opinion was expressed by Secretary of Agriculture Henry C. Wallace at the recent American Farm Bureau Federation meeting at Atlanta.."

A second editorial in the same issue says: "To-day as perhaps never before in our history, the American farmer is aroused, determined, militant, class-conscious. For a generation he has felt--and has felt with growing conviction and resentment--that he is not getting a square deal from Government or from other classes of society...The burdens of deflation these last twelve months have proved 'the straw that broke the camel's back' of the farmer's patience. He was perfectly willing to be 'deflated' if other classes took the same medicine--and as much of it as he did. But the disaster hit the farmer with a force and ruinousness out of all proportion to the injury done to society as a whole..."

2. If the farmer is to continue to feed mankind, he must be paid for his services and we must provide warehouses for the surpluses in bountiful years, Frank O. Lowden, former governor of Illinois, told the Nebraska Dairymen's Association in convention at Lincoln, Jan. 5. "The farmer believes in the value of what he produces and knows that it is indispensable to the world if civilization is to go on," he said. "When he sees that the total value of an unusually large crop is less in the markets of the world than the value of a small crop, he knows that something is wrong in our methods of distribution. 'These problems have been met and solved, in a large measure, in Holland and Denmark and among the fruit growers of California, by the organization of farmers' cooperative societies. These societies do not attempt to arbitrarily fix prices. They do study the probable demand and attempt to adjust production to meet that demand." (Press, Jan. 5.)

Boll Weevil Control

In the fifth of a series of articles on boll-weevil control appearing in The Wall Street Journal, it is said, in the issue for Jan. 6: "The men who can breed and improve any crop by the plant to row system are not named legion. But there are those in the South who can do it, and here is an opportunity of service of the finest type--that of breeding seed for their communities and States. But well-bred seed alone is not sufficient. Every method of producing a crop under weevil conditions seems to call for a reasonably concerted action. If

communities can agree to act together they will increase the effectiveness of their efforts. The weevils may cover the entire cotton belt, but they are far from dominating the situation in the future. By shifting its position so as to avail of its natural advantages the South can successfully meet the destructive weevil and raise an abundance of cotton and grow rich doing it."

Grain Marketing

J. R. Mauff, secretary of the Chicago Board of Trade, says in a review of the grain trade, in Commercial West, Dec. 31: "A hopeful sign is the fact that farmers themselves, in spite of the attempts of organizers to discredit the present marketing system, are beginning to look askance at the professional organizers. They are less responsive to glowing promises that obviously can not be fulfilled; they are beginning to realize that hollow words alone can not replace machinery that has functioned successfully for three-quarters of a century. They have, in a word, begun to think for themselves. So the exchanges turn to the new year with a feeling of confidence that the grain trade... has passed through the most difficult period of the postwar transition period."

Section 3.

Department of Agriculture

1. The Cotton Gazette, (Liverpool) Dec. 17, says: "If there be any truth in the old adage that the saying of disrespectful things about the absent causes their left ears to tingle, there must have been considerable aural tintillation (sic) this week in the cotton department of the Washington Agricultural Bureau (sic). Five millions or thereabouts wrong in acreage, nearly two millions wrong in crop--and short of funds! Explanations wonderful. Monetary poverty of hitherto important department of U. S. A. and the dollar at $4.24...A point, however, that now thrusts itself into market prominence is to what extent is the bureau to be relied upon at all, and especially where is it wrong even now regarding acreage? Extra supplies of cotton are all to the good. To slam some five millions of acreage on to the previous estimate, hitherto uncorrected, after relied upon, sounds very like office boy work if only for the very simple reason that no other recognized authority, working on quite different lines to bureaucracy has as yet seen its way to complain of want of funds to correct the estimates which we published in our issue of 8th October. That of the bureau in 000's was 26,519. To-day it is 31,427! The Financial Chronicle, 27,877; Norden & Co., 25,035; N. Y. Journal of Commerce, 25,598; J. W. Jay & Co., 24,796. The average of these four is, say, 25,826 (less than the original bureau report). Are they all wrong, and short of funds, or is it a special privilege of standard Government departments to mislead consumers all over the world? ..."

Department of Agriculture

2. "The cotton trade of the world has now revealed to it an unparalleled state of affairs in connection with the American cotton crop reports. A section of the Agricultural Department of the bureau (sic) is responsible for collecting information from time to time as to the condition of the growing crop and eventually as to the amount which has passed through the ginneries and become available for use. In the last few years, owing to the pressure of politicians representing growers in the South, it has coupled with reports showing the condition its estimates of what the crop would amount to on the assumption that the circumstances remained the same...The immediate consequence of the low crop estimates was a stiff rise in prices, followed, however, by a sharp decline when it became evident that the bureau had been badly misled. Some people made large profits out of the rise, but the general effect of the changes upon the manufacturing industry must have been seriously detrimental to it." (Manchester Guardian, Dec. 14.)

Section 4.

MARKET QUOTATIONS

Farm Products

Jan. 6: Wheat trade slow within narrow range. Chicago May wheat lower at $1.11¼; Chicago May wheat higher at 53¼¢. All markets report improved milling demand for cash wheat. Export demand very slow. Country offerings corn to arrive moderate. Closing prices in Chicago cash market: No. 2 red winter wheat $1.17; No. 2 hard winter wheat $1.06; No. 2 mixed corn 48¢; No. 3 white oats 34¢. Average price to farmers in central Iowa for No. 2 mixed corn 35¢; to farmers in central Kansas for No. 2 hard winter wheat 92¢.

Chicago hog market strong, bulk of sales $7.50 to $8. Beef steers active, bulls up 15¢ to 25¢, butcher cows and heifers strong to higher at $3.50 to $8.25. Sheep and lambs generally strong to 25¢ higher, fat lambs $11.25 to $12.35.

Potato markets steady to firm for sacked stock. Bulk stock weaker in New York City. Maine Green Mountains in bulk up 10 to 15¢ at $1.91 to $1.96 per 100 lbs. f.o.b. New York Round Whites nearly steady at $2 to $2.05 f.o.b. Delaware yellow sweet potatoes ruled $1.85 per bushel hamper in Boston; $1.50 to $1.60 in Philadelphia. Maine Baldwin apples No. 1 from common storage $6.50 per bbl. in Boston; cold storage $7 to $8.

Hay demand continues limited and not more than equal to the light receipts. Feed markets show weaker tendency, especially for bran and middlings. Filling of past due contracts to care for immediate demand is causing less active bidding.

Butter markets are in a demoralized condition. Prices have been declining steadily since the middle of December, but most radical declines have occurred this week. Plentiful supplies of all grades on market, including considerable quantities of imported butter. Cheese markets had slightly more activity.

Spot cotton lower at 17.72¢ per lb. New York January future also lower at 18.32¢. (Prepared by Bur. of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 6. Section 1. January 9, 1922.

Farmer on Reserve Board

The Associated Press to-day states that at a White House meeting, Jan. 7, which brought together President Harding and a number of representative Republican leaders, the President took opportunity to re-state his position toward attempted amendment of the Federal Reserve Act, which would require him if adopted specifically to appoint a farmer on the Reserve Board. He would not object, it was said, to some requirement specifying representatives of agriculture, industry and commerce as necessary to the make-up of that body, but does oppose a single mandate for a farmer.

Agricultural Bloc Power

The New York Times to-day says: "The growing power of the agricultural bloc in Congress is causing alarm to financial and business interests of the East and already a tentative movement has been started for action at the polls to prevent domination of legislation by this group, it was learned Jan. 8. 'In the present state of this country, there is no doubt as to the economic results which would arise from the enactment of the bloc's portentous program,' said a bulletin issued by Edward B. Smith & Co., bankers and brokers of New York, made public yesterday. 'The situation has thus become acute. It is inconceivable that the great Eastern business and banking interests will endure for long the meddlesome experimental discriminations of politics dominated by the Middle West. Rather will relief be sought at the polls, where, during the year of 1922, one-third of the membership of the Senate and the entire membership of the House are to be elected.'"

Forest Policy Bill

The New York Times to-day says: "Hearings will begin Jan. 9 before the House Committee on Agriculture on a bill to transfer the jurisdiction of the Forest Service from the Department of Agriculture to the Interior Department. Secretary Fall of the Interior Department is said to wish the transfer made. Colonel William B. Greeley, Chief of the Forest Service, and Secretary of Agriculture Wallace are understood to oppose the bill. It had been understood in Senate quarters that lumber interests sympathize with Secretary Fall's idea, as they believed the Interior Department would be more lenient in opening up forest reserves for timbering than the Agriculture Department would be."

Cooperative Marketing Legislation

"Representatives of the farmers' conference, in consultation with a number of senators from Western States, objected, Jan. 7, to proposed Senate amendments to the bill authorizing cooperative marketing by associations of farmers. Spokesmen for the farmers said they were satisfied with provisions of the bill as it passed the House." (Press, Jan. 9.)

Senator McCumber's Stand

An editorial in The Journal of Commerce, Jan. 6, says: "Porter J. McCumber, Senator from North Dakota and putative successor to Boies Penrose as chairman of the Senate Finance Committee, has made a plain declaration of policy. He favors and predicts early enactment of soldiers' bonus legislation and at the same time of a measure calling for the funding of the foreign debts. Mr. McCumber plans to pay the bonus out of the interest on the foreign claims thus collected...Those who believe that the finances of the Nation ought to be saved from a most disastrous raid upon them and that the community must be protected from a perpetuation of the present tax suffering--who believe that the restoration of prosperity and of full employment is a goal urgently to be sought--ought to exert themselves most directly and forcefully to stop the further progress of this legislation. They must act at once, for a critical moment has been reached with the prospective choice of a Finance Committee head whose main program is bonuses and impossible dreams of debt collection."

Section 2.

Agricultural Bloc

Basing an editorial on Department of Agriculture figures of acreage, production and values of a few farm staples, which "speak eloquently of how the farmer has sustained his end of the Nation's sustenance and of his reward for his effort," Commerce and Finance for Jan. 4 says: "Have the urban manufacturing industries done as well? The statistics as to this will not be available for many months--perhaps for several years--but from the idle and part-time factories and unemployed workmen visible or reported it is fair to assume that they have not. The index numbers furnish additional evidence of this, for the prices of manufactured products have declined to nothing like the extent that agricultural prices have dropped. Labor Bureau reports as to average wages in these industries afford further evidence that the cities and towns are not doing their part in the restoration of 'normal' conditions. Nor is the farmer's predicament a merely temporary one. The obligations he assumed at the peak of inflation are already twice as heavy as when they were taken, and he sees in their continuance the payment of twice as much as he engaged to pay, as measured in the things he produces...These things constitute the reasons for the growth of the 'farmers' bloc,' and are the things the farmer hopes to remedy by legislative action. That they call for a remedy is beyond question, but in the ignorance of economics that pervades our legislative bodies, farmers' blocs and all, the remedies adopted are quite certain to breed greater evils than they cure.

Had the farmer the wit he ought to have he would set his face toward freedom by tearing down the economic restrictions set up by the 'industrial bloc' and others. He will find no profit in adopting their methods."

Agricultural Situation

1. Walter W. Head, second vice president of American Bankers Assoc., and president of the Omaha National Bank, says in Journal of Commerce, Jan. 5: "The last few months of the old year have been disappointing. The condition of the farmer has been only slightly alleviated. Sufficient progress has not been made toward the equalization of prices of what the farmer sells as compared to his purchases to make him a ready buyer. He still feels a certain resentment because wages, freight rates and manufacturing prices generally have not suffered the same readjustment as the prices of his products. He is determined, and rightly, too, to hold his products for better prices, and at the same time refuses to buy anything except the absolute necessities."

2. "We believe that the most important problem confronting us at this time is that of, in some manner or other, aiding the farmers of this section, who, under the stimulus of demand and satisfactory prices have produced so abundantly. Their products, especially corn, now clog the primary markets of the Nation, and prices have dropped in many instances far below the prewar level and even under stress below the price paid in the nineties." (L. B. Jeffries, Industrial Secretary, Des Moines Chamber of Commerce, in N. Y. Commercial, Jan. 5.)

Corn Storage

"The War Finance Corporation and the Department of Agriculture are studying the problem of storing corn and financing it 'on a sound business basis until it can be marketed or utilized, with benefit to the farmers in the corn belt as well as to the entire Nation. 'Crop records,' says the corporation, 'show that unusual yields do not continue indefinitely, and the preservation of a surplus against a time of diminished production is in line with the sound economic and financial policies.' The farm is admittedly the best place to store corn. It costs least to do it there...It is also kept out of the visible when on the farm. The owner with any reasonable business reputation can borrow any reasonable sum on the corn...It would take years to build houses for corn and oats if the corporation's and the department's theory were sound. There is practically no demand for elevator storage space for corn and bulk grains--so little that the farmers' own companies have never encouraged the practice and most of them refuse to permit it in their houses, the regular and proper commercial use of which would be impaired when a movement should begin." (Price Current-Grain Reporter, Jan. 4.)

Cotton

In a communication entitled "Cotton Planters' Position Analyzed," to New York Commercial, Jan. 6, Senator Hoke Smith says: "The growers of cotton for more than half a century have sacrificed their labors by excessive production and by failing

to sell cotton in an orderly manner. A careful investigation of the facts led me, upon the floor of the Senate, about two years ago, to prove that the average family engaged in cotton growing...could only earn an average of $375 a year with cotton selling at 13 cents a pound. Such a return did not justify continued toil to produce cotton. The southern cotton grower sacrificed his crop at these low figures as a result of over-production and an uneconomic mode of sale."

Cows in U. S. Best in Butterfat

Fifteen of the sixteen greatest butterfat-producing cows in the world--every one of them a supercow--are to be found in the United States, reports from Prof. W. W. Yapp, of the University of Illinois, in an inquiry he conducted for the Associated Press. (Urbana, Ill., dispatch to Jour. of Commerce, Jan. 6)

Farmers and Luxuries

Basing an article on the incident of a midwestern banker demanding the two hind wheels of a farmer's automobile as collateral for a loan, John A. Cavanagh, president, Des Moines National Bank, says in Commerce and Finance, Jan. 4:"The dominant thought in the banker's mind, of course, was that the farmer was extravagant:...The banker overlooked the important fact that the automobile has become an asset on the farm, rather than a liability; ...Another moral to the story lies here: We must discard everything which tends to take away from a great and necessary occupation, now in its doldrums, its last vestige of enjoyment...In a recent article, Dr. H. C. Taylor, of the Bureau of Markets and Crop Estimates, points out that farmers are unmerciful competitors. Of recent years they have competed to produce crops to secure maximum profits and then have invested much of these profits in bidding against each other for more land, which has risen in price until a normal rate of return is almost impossible. Rather than that farmers should continue this orgy of land buying, Dr. Taylor urges than to add to their enjoyments in life...The moral 'lies' therefore when it presumes that those things which tend to elevate the living standard whether 50 per cent luxury, 75 or even 100, should be put in pawn..."

Meat-Packing Industry

Loss in inventory values of Swift & Co. amounted to $20,000,000 in 1921, Louis F. Swift, president of the company, told the annual meeting of shareholders Jan. 6. Mr. Swift stated that gross sales during the year were slightly more than $800,000,000, which was a reduction from the previous year. The 1920 sales were slightly more than $1,100,000,000. The decrease in tonnage, he said, was only about 6 per cent. (Press, Jan. 6.)

Muscle Shoals

Henry Ford's offer for the lease and operation of Muscle Shoals, Ala., nitrate and water-power projects was characterized Jan. 7 by Secretary Weeks as "the only comprehensive proposition before him, which included both the construction of the project and the manufacture of fertilizers." (Press, Jan. 8.)

Section 3.

MARKET QUOTATIONS

Farm Products

Jan. 7: Grain prices advanced under continued improvement in milling demand and strength in coarse grains. Chicago May wheat higher at $1.12¾; Chicago May corn higher at 53 5/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.18; No. 2 hard winter wheat $1.08; No. 2 mixed corn 48¢; No. 3 white oats 35¢. Average price to farmers in central Iowa for No. 2 mixed corn about 35¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.06½; to farmers in central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market active at higher prices, bulk of sales $7.60 to $8.50. Medium and good beef steers $6.85 to $9.25; butcher cows and heifers $3.50 to $8.25; light and medium weight veal calves $6.50 to $9.25; fat lambs $11.25 to $12.35; feeding lambs $9.25 to $11.

Potato markets generally steady; Philadelphia strong. Prices at shipping points lower. New York Round Whites off 5¢ at $1.95 to $2; Maine Green Mountains in bulk down 10¢ at $1.81 to $1.86. Florida Wakefield cabbage in 1½ bu. hampers, $2.50 to $2.75 in New York. Maine Baldwin apples No. 1 ranged $7 to $8 per bbl. in Boston.

Spot cotton higher at 17.75¢ per lb. New York January futures also higher at 18.42¢.

The trend of the grain market was uncertain during the week ending January 7 and prices averaged lower. The tone strengthened somewhat the last two days of the week largely on improved milling demand and strength in coarse grain. The cash demand for wheat and corn was good at the close; country offerings light.

The potato markets show price advances of 15 to 35¢. In producing sections New York sacked Round Whites advanced to $2.05 f.o.b. and closed firm at $1.95 to $2. The demand for good apples was limited; markets firm. Cabbage in moderate demand and the markets generally showed a firm tone.

Chicago hog prices made net advances ranging from 75¢ to $1.15, light weights gaining most. Prices of practically all other kinds of live stock also advanced. Eastern wholesale fresh meat prices made gains, veal leading with advances of $1 to $4.

Hay receipts continued light and resulted in steady to higher prices at most markets. Country loadings for Chicago market were reported as increasing. The feed markets showed a weaker tendency, especially for bran and middlings. Hominy and gluten feed also were lower.

The butter markets were in a demoralized condition and very weak at the close. There are plentiful supplies of all grades on the market. The cheese markets showed slightly more activity although for the most part business was quiet.

Spot cotton prices dropped 62 points; New York January futures down 65 points. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials & Railroads

Jan. 7: Average closing 20 industrials 79.12, as compared with 74.80 corresponding day 1921; average closing price 20 railroad stocks 73.85, as compared with 77.21. (Wall St. Jour., Jan. 9.)

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Secretary Wallace on Freight Rates

The Associated Press to-day reports Secretary Wallace as saying in an address before the Traffic Club of Philadelphia, Jan. 9, that to bring about a normal readjustment in agriculture and, through it, in industry, railroad deficits must be met by reductions in operating cost rather than by advances in rates. Secretary Wallace said: "Agriculture urgently needs the adjustment of freight rates on farm products to a point at which they bear about the same ratio to the price the farmer received for those products as prevailed before the war...It would be unfair to say that the unprecedented depression in which we find agriculture to-day is due wholly to the very large increases in freight rates which have been imposed during the last three years, but it is fair to say that these increased freight charges are a large factor in retarding agricultural recovery. If prices of 1919 and the earlier part of 1920 were being paid to farmers, they could pay the increased freight rates without serious inconvenience. But farmers are not receiving such prices. Instead, they are compelled to take prices no more on the average than the prewar normal, and in the case of some crops considerably below."

Conference Comments

The Washington Star, Jan. 9, says in an editorial upon the National Agricultural Conference: "The hope is to find out the cause of the depression from which the American farmers are now suffering, and a cure for that cause...Are the farmers' profits eaten up by those who handle his produce on the way to the consumer? Are they absorbed in transportation rates? Are they merged into production costs, into the prices of seed, fertilizer, machinery? These are some of the questions that the conference will consider...The farm problem is broad in its aspects. It has a distinct sociological as well as economic aspect. This conference will deliberate on all phases of the matter, and the hope is that it will find a line of procedure that will help the general condition of the average American agriculturist."

The Commercial and Financial Chronicle, Jan. 7, says in its review of the financial situation: "As for the farmer, his position as 'end man' in the circle is assured. He has had to endure being the butt of newspaper jests, but that should not anger him, for he is everybody's friends, and everybody is his; this needs no proof, since he who does not care for the farmer does not care for himself. Yet the farmer may or may not be in such special trouble as to need a special pull of relief by all the rest of the

country; complaint is easy and general, requiring no genius, and he should not be too hasty to assume that he has more than his fair share of the world's troubles. But suppose he has? A national conference to talk over his case is set for the 23rd, and there can be no objection to this, provided it follows the example of the late unemployment talk and avoids an outcry to Government, ...If he can not respond to the suggestion that he be too proud and independent to adopt the tactics of more closely unionized 'labor,' let him take note of the immovable severity of economic law. If he crowds the railroads overmuch, or if he manages to boost the unit prices of his own products, or if in any other manner he elbows others that he may get more room, the elbowing will react upon himself..."

Forest Legislation

Timber in the United States is being consumed four times as rapidly as it is being grown, W. B. Greeley, chief of the Forest Service, told the House Agricultural Committee, Jan. 9, in urging Federal legislation designed to conserve the country's forests. The Snell-McCormick Forestry Policy Bill which provides for cooperation between the Federal Government and States in a conservation program, Mr. Greeley stated, "represents a most practical and opportune solution of the timber supply question." (Press, Jan. 10.)

Tariff Legislation

John H. Kirby, of Houston, Tex., president of the Southern Tariff Association, Jan. 9, told the Senate Finance Committee southern business men have awakened to the need of a protective tariff. (Press, Jan. 10.)

Agricultural Bloc

An editorial on "Class Interests" in The New York Times to-day says: "The fact is that there are farmers in the East and financiers in the West, the immediate interests of both being not those of a section but of a Nation-wide group. We think of their interests as sectional and call for sectional protest at the polls only because the basis of representation at Washington is still that of the territorial unit, the industrial unit being ignored. The peril of legislation dictated by group interest can not be exaggerated. Far worse than the evil of setting section against section is the evil of setting class against class."

Section 2.

Agricultural Financing

The War Finance Corporation announces that, from January 5 to January 7, 1922, inclusive, it approved 194 advances, aggregating $6,204,000, for agricultural and live-stock purposes, in the West and South. During the week ended January 7, 1922, the corporation approved a total of 301 advances, aggregating $8,875,000, for agricultural and live-stock purposes. (Press statement, Jan. 9.)

Agriculture and Business

In his article entitled "Agriculture and the Business Revival" in the New York Republic, Dec. 28, Dr. David Friday states that "any one who is handy with figures and knows where to find them can easily make out a more striking case for the interdependence of agricultural prices and manufacturing prosperity than the spokesmen of the farming interests have yet made... The figures for the gross product of agriculture and those for value added by manufacture maintain an uncanny equality throughout the last quarter century...It is a safe prediction that for 1921 these two values will again be approximately equal at a figure not far from $12,000,000,000. It is hardly believable that the correspondence between these two sets of figures prepared by two different Government departments entirely independently of each other should coincide by mere accident over a period of more than two decades...There seems to be much sound sense in the farmer's statement that there is an interdependence between the purchasing power of the agricultural community and the sales of the manufacturer. But which way does the causation run?...An examination of the course of prices indicates that in the present situation agricultural products led the fall in prices. But there were other factors in the situation which were simultaneously working curtailment of production in manufactured articles...At present the causes which brought industry to its unhappy state are of less moment than the forces which will restore prosperity. What is the likelihood that agricultural prices will revive and lift us out of the slough of depression by increasing the farmers' purchasing power?...Any intelligent discussion of this question leads at once to a consideration of the European situation. A large part of our agricultural products must still be sold upon an international market, and must there come into competition with the output of the European farmer. If the interdependence of agricultural crop values and manufacturing output is valid, it must hold for Europe as well as for America. There is every prospect at present that European manufacturers will be in a serious state of depression during the next six or eight months...This must inevitably result in low prices for European farm products. Against these low prices the American farmer must compete in the case of all those crops which we export. Unless something can be done to rehabilitate European industry and to revive its manufacture, it will be impossible to reestablish industrial prosperity by raising American agricultural prices."

Cooperative Marketing

Alexis L. Clark, chief of the Bureau of Markets of the New Jersey State Department of Agriculture, in a summary of last year's market activity, declares that cooperative buying and selling organizations among farmers in Eastern States have come to stay. He said that New Jersey farmers were profiting by the experience of agriculturists in other parts of the country, and could escape many of the pitfalls which marked the experimental state of the cooperative movement. (Press, Jan. 8.)

Cotton

1. In an article on "The Future of Cotton" in Commerce and Finance, Jan. 4, Richard T. Harris says: "When all is said and done, there are as many people in the world to-day as there were two years ago, when the cotton trade was at its peak; practically all of them are potential consumers of cotton, and the vast majority of them, due either to their small earnings or their natural frugality, have never consumed much above their actual and immediate requirements; requirements which in the very nature of things must continue to manifest themselves, and which to a great extent must and will be satisfied. The reasonableness of this view would seem to be borne out by comparison of the world's taking of American cotton last season with the takings thus far this season..."

2. "The Probability of a Cotton Scarcity" is the title of an article by Joseph Newburger, president, Newburger Co., in Commerce and Finance for Jan. 4, which says: "Instead of the production of cotton being increased all over the world, if you will make a careful survey of all the other countries, you will find something has happened to decrease production. The South will never plant as much cotton as heretofore on account of diversification, as they have found out they can raise other products on our fertile soil that will pay them much better. The other parts of the world, should cotton advance to a very big price, will try to stimulate the production of cotton, but this will take years and it requires men of experience to cultivate it."

Grain Marketing

"On December 23 there was mailed to each direct and active member of the (Grain Dealers National) Association a letter signed by President Clement. This letter asked for a contribution to the fund authorized by the Chicago convention. The fund is to be used by the Association in an effort to render abortive the agitation of the farm leaders who in season and out of season are systematically misrepresenting the middlemen to the grain producers of the Nation. The money, let it be understood, is not to be used to fight the farmers...The money is to be used to tell the farmer the facts about the present distributive system. He does not know the facts...You could not conceive how anyone could believe 'such stuff as the agitators are handing out.' And that is the simple reason why the grain dealers of the Nation are now on the defensive both in the country and in Washington...The producers will not seek the cooperative port if it is shown to them that they are safer where they are..." (Who is Who in the Grain Trade, Jan. 5.)

Live-Stock Marketing

The Independent Live Stock Exchange has been organized at the National Stockyards at East St. Louis to operate independently of the Live Stock Exchange and under Government control. The new company will charge about 25 per cent less commission than the rate fixed by the exchange. (Press, Jan. 9.)

Section 3.

Department of Agriculture

The New York Times to-day says in an editorial: "Mr Baruch has suggested that the Department of Agriculture'should distribute to the farmers full information from all markets of the world, so that they shall be as well informed of their selling position as buyers now are of their buying position.' It is necessary to add that when the farmers are so officially advised they should make the right use of the information put at their disposal. Many months ago the Federal Reserve gave the farmers information of their market and credit position, which has been verified by subsequent facts. The thankless result to date has been that the farmers are seeking to have the Federal Reserve regularize its ideas and policy in conformity with their interests. It is different with commerce. That is a two-sided interest, and the Department of Commerce gathers facts with equal regard to buyers and sellers. For example, there appears this week a bulletin of the Department of Commerce regarding the 'alarming' conditions in Argentina. It behooves our farmers to consider this information."

Section 4.

MARKET QUOTATIONS

Farm Products

Jan. 9: Chicago grain market trading very light due partly to Board of Trade election. Cash demand fair; receipts light all sections. Chicago May wheat lower at $1.11¾; Chicago May corn lower at 53 3/8¢. Visible supply wheat 47,839,000 bushels, a decrease of 1,629,000 bushels for week. Visible supply corn 24,787,000 bushels, an increase of 1,508,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.17; No. 2 hard winter wheat $1.07; No. 2 mixed corn 48¢; No. 3 white oats 35¢. Average price to farmers in central Iowa for No. 2 mixed corn 35¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.08¼; to farmers in central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market lower, bulk of sales $7.30 to $7.85. Cattle prices also lower; medium and good beef steers $6.75 to $9.25; butcher cows and heifers $3.40 to $8.25. Fat sheep and lambs steady to 15¢ higher; fat lambs $11.25 to $12.50.

Potato markets nearly steady for Round Whites, firm for Green Mountains. New York Round Whites steady at $2 per 100 lbs. sacked f.o.b. Maine bulk Green Mountains slightly weak at $1.76 to $1.86 f.o.b. New York Baldwin Apples A 2½ dull at shipping points at $6.50 per bbl. New York Danish type cabbage steady at $40 to $43 per ton bulk f.o.b.

Hay receipts continue very light. Slight increases reported in country loadings in central West. Feed markets inactive. Mill offerings continue light but resellers appear anxious to dispose of stored stocks.

Butter markets continue weak. Cheese markets show slightly more activity. Fresh cheese steady; cured cheese firm.

Spot cotton higher at 17.76¢ per lb. New York January futures also higher at 18.53¢. (Prepared by Bur. of Mkts. & Crop.Est.)

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West's Opinion of East

The New York Times to-day states that John Barrett, who has returned to Washington from a three weeks' tour of the Central West, wrote a letter, Jan. 10, to President Harding telling him that everywhere he went he found widespread feeling in the West against the East. Of this feeling Mr. Barrett said: "Its inspiration seems to come from two fundamental considerations. One is the intense depression in agricultural and farming interests, which are the main resource of the Central West. And the other is the opposition of New York City and State and surrounding section to the proposed Great Lakes-St. Lawrence deep waterway project, upon which Illinois and the near-by States of Minnesota, Wisconsin, Indiana and Michigan have set their heart, with radiating and supporting sympathy in the Dakotas, Iowa, Nebraska and Missouri. All this has such an important bearing on New York City's welfare and on national legislation, cooperation and prosperity, when the country should work together instead of having its best interests handicapped by sectional differences, that it should receive the immediate and careful attention of the leaders of finance and legislation of both East and West as well as of the administration."

Price Inquiry

Tentative agreement for an investigation of wholesale prices throughout the country to be carried on by the Departments of Justice, Commerce and Labor has been reached, Attorney General Daugherty said Jan. 10. At a conference with Secretaries Hoover and Davis, Mr. Daugherty said it was virtually decided to broaden the retail price investigation of the Department of Justice to include the cost of various commodities from their origin to the consumer and to make the survey jointly by the three departments. The Attorney General stated that it was planned to make use of data gathered by Representative Anderson, chairman of the Congressional Joint Commission of Agricultural Inquiry. (Press, Jan. 11.)

Secretary Mellon Asks for Loan Act Changes

Recommendations for legislation amending the Federal Farm Loan Act so as to make it easier for farmers actually in need of assistance to secure loans and to strengthen the farm loan machinery, were made in a report transmitted to Congress by the Secretary of the Treasury Jan. 9. (Press, Jan. 10.)

Tariff Legislation — Hearings on the permanent tariff bill having been brought to a close, Republican members of the Senate Finance Committee embarked Jan. 10 on the task of rewriting the Fordney Bill. Before giving attention to rates the members will decide upon the underlying tariff policy. (Press, Jan. 11.)

Lumber Association Decision — Efforts to arrive at a definition of the Government's policy toward trade associations in the light of the recent decision of the Supreme Court in the case of the Hardwood Lumber Association failed again yesterday at a conference of Attorney General Daugherty with Secretaries Wallace and Hoover. Legitimate functions of trade associations would be encouraged by the Department of Justice, Mr. Daugherty declared, but no concessions would be made which would weaken the rules laid down by the decision. (Press, Jan. 11.)

Conference Comment — The Chicago Journal of Commerce for Jan. 9 contains an article embodying the official information regarding the conference. Commenting upon the purpose of the conference, as outlined by Secretary Wallace, the article says: "In that purpose is seen, however, an attempt by the administration to effect the political downfall of the agricultural bloc in the Senate, to circumvent its program and to strike at the roots of its growing power in legislative affairs, by impressing upon the farmers that the present administration is in sympathy with their predicament and that this conference has been called to arrive in the shortest possible time at results beneficial to their interests. In other words, that the administration has proposed a means by which they are to accomplish their own salvation with the heartiest cooperation of officialdom."

Reserve Loans to Farmers — Heavier credits have been extended to Federal Reserve banks in the agricultural regions than to those in sections where trade and commerce predominate. W. P. G. Harding, Governor of the Federal Reserve Board, declared Jan. 10 at a meeting of the New York Board of Trade and Transportation. Gov. Harding offered this as substantiation of his emphatic denial of the charge that the board had shown itself hostile to farm or crop loans. He also opposed efforts to amend the banking laws in favor of the agricultural interests. He declared agriculture a fundamental activity, representing 40 per cent of its buying power, but declared against any legislation designed to favor one class. (Press, Jan. 11.)

Federal Farm Loans — Loans totaling $18,412,500 were closed by the twelve Federal Farm Loan banks during December, the Federal Farm Loan Board announced, Jan. 10. This total, the board said, was approximately $3,500,000 greater than the November business and about $5,000,000 greater than October. The December loans, the board said, were the largest single month's business handled by the farm loan banks since the organization of the system. (Press, Jan. 10)

Section 2.

Agricultural Bloc

The Commercial and Financial Chronicle for Jan. 4 says in referring to the death of Senator Penrose and succession of Senator McCumber to the chairmanship of the Senate Committee on Finance: "The Washington representative of the (New York) Herald sees ominous consequences in the opportunity that may be seized by the agricultural bloc, which is said to aim at 'the triumph of the wheat interests of the Missouri Valley and the cotton-growers of the South over the Wall Street financier, the manufacturer and the small business man in industrial sections of the country.' A half dozen measures are mentioned as having been already 'put through under the agricultural goad,' and another four are awaiting, prominent among them the freight rate reductions which everybody desires...The bloc, according to the Herald's summary of opinion in Washington, does not conceal its intention to 'run' the Government, and the correspondent submits figures to show that the five most prominent bloc States contributed to revenue in the last year only a little over 175 millions, while Massachusetts contributed 259 millions, and, with the other four most prominent industrial States, over 2,543 millions; the bloc States furnished less than 3½ per cent of public revenue, against over 51 per cent by the five industrial States."

American Farm Bureau Criticized

"The Farm Bureau's Opportunity" is the title of an editorial in Wallaces' Farmer for Jan. 6, which says: "Is the Farm Bureau Worth Saving? This is the question a good many Iowa farmers are asking. They have seen a great organization built up, have witnessed the performance of some good work, but they feel that the Farm Bureau has up to this time fallen far short of their expectations...The program adopted by the State convention next week will determine, in the view of many Iowa farmers, whether these criticisms are just. If the convention adopts a vigorous program for the year, and if the officers take steps to carry out that program promptly, farmers will be disposed to forget any criticisms of the past and get behind the movement...Corn acreage reduction and cooperative marketing are the two big issues before the convention, although there are a number of other matters of hardly less importance that demand consideration."

Argentina's Agricultural Situation

Argentina's agricultural conditions were described as "alarming" by Commercial Attache Feeley, in a cabled summary of the general situation in that country, made public recently by the Department of Commerce. The report states that exports are decreasing and the Banco de la Nacion is considering a five-year extension of credit at 5 per cent on live stock and agricultural products. (Press, Jan. 10.)

Cooperative Marketing

1. The New York State Department of Farms and Markets has established a bureau of traffic and transportation to aid the farmer in marketing his products, Commissioner Pyrke announced Jan. 8. It is designed, he said, to overcome the handicaps that now beset the shipping system. (Press, Jan. 9.)

Cooperative Marketing

2. "The Southern Farmer Tries Cooperative Marketing" is the title of an article, by Sydney D. Frissell, in American Review of Reviews for January. This comprises an extensive review of the efforts during the past few years of the growers of cotton and tobacco and other farm products of the South, and the promising outcome through the development of cooperative marketing. The article says: "Now that the farmers of the South are organizing in strong business associations throughout the cotton and tobacco belts, and the success of the cooperative marketing movement seems inevitable, a miracle of change is taking place...Both capitalist and laborer, indomitable conservative, and individualist, the farmer of the South, stung into the knowledge of his power, and catching up at last with modern weapons of organization, in the struggle for existence, has reached the turning of the road."

Cotton

"Beating the Weevil" is the title of an editorial in The Wall Street Journal, Jan. 9, which, after reviewing the development of improved varieties of cotton by the Department of Agriculture and private enterprise, closes as follows: "Consumers of cotton goods should also be interested in this matter, because better, finer, and stronger goods can be produced from long staple cotton. The outside world would profit by this evolution fully as much as the farmers. The old way of marketing cotton should be done away with, and farmers given to understand that a superior grade would bring a better price. The cotton market should extend its aid and give the farmer this weapon in his fight against the weevil. Broadly, the southern farmer has two things to conquer,--the boll weevil and himself. If in poisoning the former he accidentally thins out some of his political spokesmen, the country can stand it."

Production

"Factory Production vs. Agricultural Production" is the title of an editorial in Wallaces' Farmer for Jan. 6, which says: "An Iowa correspondent writes: 'Do you have any figures proving that factories reduce their production when producing at a loss? ...' It is an almost invariable rule for business men to cut production when prices fall, and to increase production when prices rise. During the last half of 1919 and the early part of 1920, when prices were high and rising, the output of manufactured goods was from 2 to 16 per cent more than normal. Late in 1920, however, when prices began to fall, the output of manufactured goods declined just as promptly, and during 1921 has averaged from 20 to 30 per cent below normal. These figures are notguesses, but are based on extensive statistical research conducted by the Harvard University committee on economic research. The research covers iron and steel, lumber, paper, petroleum, textiles, leather, food and tobacco manufactures."

Section 3.

Department of Agriculture

The American Review of Reviews for January presents an analysis of the current annual reports of various of the heads of the departments of the Government. Of Secretary Wallace's report it says: "The Secretary of Agriculture, Mr. Wallace, opens his report with a very trenchant and stimulating survey, first of agricultural conditions, and, second, of the work of the Department of Agriculture as related to the Nation's progress and prosperity in its basic industry. This review is one of the most intelligent and satisfactory discussions of our agriculture and its problems that has ever been presented. Mr. Wallace boldly declares that scientific research, in its application to farm conditions, is the principal object of the Federal Government in maintaining the department. He shows convincingly how great are the services that the department is already performing."

Section 4.

MARKET QUOTATIONS

Farm Products

Jan. 10: Wheat market had heavy undertone. Milling demand slow. Corn depressed by weakness in wheat but showed more resistance to pressureand kept within narrow range. Chicago May wheat lower at $1.08¾; Chicago May corn lower at 52¾¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.14; No. 2 hard winter wheat $1.05; No. 2 mixed corn 48¢. No. 3 white oats 34¢. Average price to farmers in central Iowa for No. 2 mixed corn 35¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.08; to farmers in central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market active and higher, bulk of sales $7.30 to $7.75. Beef steers and fat cows and heifers generally steady; medium and good beef steers $6.75 to $9.25; butcher cows and heifers $3.40 to $8.25. Sheep and lambs generally strong to 25¢ higher; fat lambs $11.50 to $12.65.

Potato markets about steady; Chicago slow and weak. New York sacked Round Whites off 5¢ f.o.b. at $1.95. Maine bulk Green Mountains down 5 to 10¢ at $1.71 to $1.76 f.o.b. Maine No. 1 Baldwin apples steady in Boston at $7 to $8 per bbl. New York Danish type cabbage firm at shipping points at $40 to $42 per ton bulk.

Spot cotton lower at 17.56¢ per lb. New York January future also lower at 18.03¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 10: Average closing price 20 industrials 78.59, as compared with 76.14 corresponding day 1921; average closing price 20 railroad stocks 73.54, as compared with 76.99. (Wall St. Jour., Jan. 11.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 9. Section 1. January 12, 1922.

Corn Acreage Cut

The movement to cut corn acreage 50 per cent in Iowa, Nebraska and Kansas, combined with efforts of cattlemen in Nebraska, Wyoming and Colorado to discontinue further breeding of stock feeders, has reached a concrete stage. The Farm Bureau Federation of Iowa, Nebraska and Kansas and more than eighty county granges in the three States have officially taken up the matter and are urging all to comply. (Press, Jan. 12.)

Farmer on Reserve Board

The New York Times to-day says: "Members of the Senate agricultural bloc have begun work on what is termed a compromise measure with reference to the bloc's demand for the appointment of a farmer as a member of the Federal Reserve Board. The compromise, it was stated by bloc leaders, will be designed to meet the views held by the President, who has said he had no objection to such legislation, providing it includes other industries along with agriculture as entitled to representation on the board."

Forestry Legislation

Provisions of the Snell-McCormick forestry bill were indorsed Jan. 11 by Elbert H. Baker, publisher of the Cleveland Plain Dealer, who appeared at a hearing before the House agriculture committee as a representative of the American Newspaper Publishers' association. Mr. Baker said he favored "every portion" of the bill, which provides for cooperation by the Federal Government with States and owners of timberlands in the conservation of forests and development of new timber tracts. Passage of the measure also was advocated by W. L. Hall, representing the Union League club, of Chicago, who presented resolutions for the club indorsing the bill. Charles Lathrop Pack, president of the American Forestry Association, also appeared in advocacy of the bill. (Press, Jan. 12.)

Lake Waterway Legislation

Under a bill introduced Jan. 11 by Representative Chalmers, construction of the Great Lakes and St. Lawrence estuary would be authorized, so far as the United States was concerned, with a stipulation that the cost of the improvement be met by a bond issue guaranteed by the Governments of the United States and Canada. (Press, Jan. 12.)

Muscle Shoals

"If Henry Ford obtains possession of the Muscle Shoals project in Alabama he will take immediate steps to make that part of the South one of the industrial centers of the country," The Associated Press learned Jan. 11. The Muscle Shoals plan of Mr. Ford contemplates one of the greatest undertakings in the history of industrial America, it became known, and includes development of the property as a model and the eventual extension of the system to many other parts of the country." (N. Y. Times, Jan. 12.)

Renewing his charge that "the fertilizer trust" was seeking to defeat the Muscle Shoals development project, Senator Harris called the attention of the Senate, Jan. 11, to a circular which, he said, had been sent out by the National Fertilizer Association of Philadelphia and which was captioned "Cost to Taxpayers of Ford Muscle Shoals Offer." (N. Y. Times, Jan. 12.)

Tariff Legislation

A plan of assessing tariff duties on the basis of the difference in the costs of converting the raw material into the finished products in the United States and foreign countries was outlined to-day to Republican members of the Senate Finance Committee by Julius Forstman, a woolen manufacturer of Passaic, N. J.

Preliminary reports on the investigation made by James B. Reynolds and Treasury experts as to a comparison of American valuations and the selling prices of imported goods in the United States also were received. The complete report is expected within a week, and the information will be used as the basis for determining the tariff policy and writing the rates of the new bill. (Press, Jan. 12.)

Government Crop Insurance

An editorial in The Philadelphia Public Ledger to-day says in part: "Theodore H. Price, in an open letter to Secretary of Agriculture Wallace, suggests the establishment by the Government of crop insurance. He points out what the British and American Governments did in the war period to insure vessels and cargoes. Without this insurance commerce would have been extremely hazardous. Insurance, he explains, is true socialism, distributing the losses of the few among the many without diminishing the incentive to private efforts...While opposed to putting the Government in business, Mr. Price sees no reason why Washington should not establish a crop-insurance bureau from which the farmer could buy policies that would indemnify him for his actual expenditures and from which, after a few years, the larger insurance companies could obtain data upon which to base rates...If he has done nothing else, Mr. Price has offered a suggestion worthy of earnest study. The farm to-day is the most speculative of major industries. To minimize the risk in any degree would be of great benefit, for if the farm does not prosper all other branches of industry are more or less affected." (Letter appears in Commerce and Finance, Jan. 11.)

Grain to Russia at Cost

An agreement to transport grain to Russia in Shipping Board vessels at cost was reached Jan. 11, at a conference of Secretary Hoover and Chairman Lasker of the Shipping Board with President Harding. (Press, Jan. 12.)

Section 2.

Agricultural Credits

Commercial West for Jan. 7 publishes a summary of the views expressed at the recent St. Paul hearing on rural credits, before the joint congressional committee. H. A. Moehlenpah of Milwaukee, president of the Investors' Finance Corporation, and for a few months a member of the Federal Reserve Board, advocated credit extension and additional credits as the panacea to help the farmer out of his present difficulties. "We need a more generously administered Federal Reserve System," he said. "It is now run too much on strictly banking lines and not enough attention given to agricultural needs. There should be a subsidiary department of the Federal Farm Loan banking system, to handle rural credits in the form of one, two and three-year loans."

President E. G. Quamme, of the St. Paul Federal Land Bank, insisted that "not lack of credit but over-expansion of credits is the prime cause of the farmer's present financial worries." He questioned the necessity of creating additional machinery to extend credit to farming interests.

Chemical Industry

"The Future of the American Chemical Industry" is the title of an article by Harrison E. Howe, chairman of the division of research extension of the National Research Council, and editor of The Journal of Industrial and Engineering Chemistry, in TheAnnalist, Jan. 9. After reviewing figures from the preliminary report of the census of 1920 on the American chemical industry, the article says: "Were it not for the constantly growing menace of chemical Germany, which is now in vigorous reaction, these figures would seem to be, on the face of them, reassuring enough to calm the fears of the economist... With the German chemical industry on the rebound, however, the American chemical industrialists have had their hands full... There could be no more suicidal policy for those who direct large scale chemical operations than to get rid of the trained experts who, at this time of all others, could be of inestimable value to them in solving the many vexed problems...The future of the chemical trade of the United States rests largely upon how we can best use the abundant raw materials which are close at hand, and use the light of scientific investigation to overcome the many difficulties which beset management... The efforts made by American chemical engineers and several companies to produce potash in this country from native raw materials have been checked by the activities of the German potash syndicate...Unless some adequate protection is given to the American product, and an American market obtained for it, I see no way in which the manufacture of it can be established in this country."

Cotton

"The short cotton crop of 1921 has carried with it fundamental, pervasive and controlling consequences. The price gyrations of the raw staple are in the main temperamental. The carry over of American cotton from previous years...will not maintain a very comfortable surplus until the 1923 crop

comes in. We have to count on the continued presence of the boll weevil pest. We have to reckon with the pressure on the farmer for diversification of crops by merchants and banks in the South, dictated by an intelligent self-interest, and by the Government as a matter of education....We must count on the farmer's desire to collaborate by means of co-operative cotton marketing associations; we must count on the potentiality of the succor rendered by the War Finance Corporation; we must also figure on the eased money market, which will allow the farmer and his near-by aids better terms under which they can let their crop drift instead of plunge into the world reservoir. These and other elements point toward a well-maintained high raw cotton level." (From article on the cotton goods outlook, by C. L. Bernheimer, in Annalist, Jan. 9.)

Economic Conditions

A review of economic conditions by the National City Bank of New York, published in Commercial West, Jan. 7, says: "The principal factor in the depression is within the control of the American people. It exists in the unbalanced relationship between the prices of farm and other primary products on the one hand and the prices of manufactured goods, transportation service and various other products and services on the other hand." Quoting Department of Agriculture estimates of market value of crops for the past three years, the article continues: "It is useless to expect a return to normal conditions while this disparity of compensation between great bodies of producers exists. It is unfair and it establishes an effective blockade against a revival of business. It is time that the business community took cognizance of the situation, and set itself to the task of correcting it."

Farmer for Federal Reserve Board

1. The Wall Street Journal, Jan. 11, says in an editorial: "The Philadelphia Board of Trade has sent to the United States Senate a protest against the pending bill relating to the appointment of a farmer to the Federal Reserve Board. A majority of the people, not realizing the danger in this bill, treat it either with indifference or as a joke. But it menaces our whole business and financial structure. If it became a law, 'a person whose business or occupation is farming' would in time become the governor of the Federal Reserve System. The bloc craftiness is not fully apparent until it is realized that the next member whose term expires is the governor of the board...There is no objection to the farmer because he is a farmer. As a class the farmers are the backbone of the country. The qualifications for directing the banking business of a country do not come merely by appointment . to the position of head of the system. Long years of experience and study are as necessary there as in any other business...But even this is not the worst feature of the proposal. The scheme is to make the distribution of credit a matter of politics..."

2. New York Daily News Record, Jan. 11, says: "Demanding that politics be kept out of the Federal Reserve banks, the administrative committee of the National Association of Credit Men, at a meeting Jan. 10, decided to launch a country-wide campaign against the idea of having any class influence prevail in the affairs of the Government banking system."

Farm Practice

The Nebraska Farmer for Jan. 7 publishes the first of a series of articles describing the plans of sixteen practical Nebraska farmers for making money in their farming operations for 1922. The article in the current issue is entitled "Make the Farm a Factory," by C. Y. Thompson, who describes how a crop-rotation system doubled the production of his farm and increased the live-stock carrying capacity, and how farm labor is saved by letting the live stock harvest the crops.

Farmer Grain Exchange

Following a suggestion made by the Secretary of Agriculture, at the recent hearing held on the Capper-Tincher Bill, a "joint conference committee on grain trade practices" has been organized. Equal representation of farmers and representatives of the principal grain exchanges on such a joint committee was recommended for the purpose of giving informal consideration to complaints that may arise concerning the handling of grain. Grain exchanges have selected as their representatives L. F. Gates of Chicago, F. B. Wells of Minneapolis and C. W. Lonsdale of Kansas City. Agricultural organizations present at the recent conference and the Department of Agriculture have selected J. M. Mehl, acting for C. H. Gustafson, president of the U. S. Grain Growers, Inc.; J. W. Shorthill of Omaha, secretary of the Farmers' National Grain Dealers' Association, and Clifford Thorne, general counsel for the American Farm Bureau Federation. The committee will receive suggestions from producers, shippers, elevator operators, millers, distributors and grain operators and will report back to those represented any recommendations on grain trade practices that are agreed upon. (U. S. G. G. press statement, Jan. 9.)

"Forecasting"

"Boosting Prices" is the title of an editorial in The Journal of Commerce for Jan. 10, which says: "An 'analysis' of the sugar situation is said to have led the Department of Commerce to the belief that there will be an early and more or less considerable advance in prices. This forecast is based upon the numerous and well-known elements in the sugar situation which go to show that there is to-day a shortage in the 'visible' supplies of the article which must be made up by drawing down what seems to be a very large 'visible' stock... Ought the Government through any of its branches or bureaus to undertake the work of commercial forecasting? The results of such efforts are seen at their worst in the last autumn's report as to cotton. Effort to advance prices is likely to be nearly as hurtful as effort to depress them would be, although it is a different set of persons who receive the main damage. This would be true even if every forecast were correct..."

Government Information

The Washington Herald to-day attacks the Government's system of information dissemination in an editorial which says in part: "It is a commonplace, of course, that Government publicity is largely a matter of waste motion--that so much of it is ground out that the wheat is hopelessly lost in the chaff, and that little of it reaches the goal it aims at...What is needed from Washington--what all the bureaus and divisions and departments should cooperate in producing--are a few strong, broad, distinct strokes of publicity embodying the essential facts as they develop from week to week. This is vastly different from a continual log-jam of propaganda. Much Govermment publicity material is written in a way to conceal facts rather than to reveal them. Some of it undoubtedly is put forth from time to time as a 'smoke screen' for the real facts."

Section 3.

MARKET QUOTATIONS

Farm Products

Jan. 11: Grain prices higher influenced by improved milling and export demand; Chicago May wheat $1.10¾; Chicago May corn 53¼¢. Two hundred thousand barrels flour reported sold at Seaboard. Exporters continue to take corn freely; cash corn market strong. Closing prices in Chicago cash market: No. 2 red winter wheat $1.15; No. 2 hard winter wheat $1.07; No. 2 mixed and yellow corn 48¢; No. 3 white oats 35¢. Average price to farmers in central Iowa for No. 2 mixed corn about 35½¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.05; to farmers in central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market active and higher, bulk of sales $7.60 to $8. Beef steers active, up 15¢ to 25¢; medium and good beef steers $7 to $9.25. Butcher cows and heifers strong at $3.50 to $8.25. Sheep and lambs generally strong to 25¢ higher, at $11.75 to $13.

Potato markets generally steady; Pittsburgh slightly weak. New York sacked Round Whites nearly steady at $1.92 to $1.95 per 100 lbs. f.o.b. Maine Green Mountains in bulk, down 5¢ at $1.71 f.o.b. Maine Baldwin apples No. 1 from cold storage steady at $7 to $8 per bbl. New York Danish type cabbage slow at $40 to $42 per ton bulk f.o.b. shipping points.

Feed markets inactive. Wheat millfeeds slightly weaker in anticipation of heavier production; buyers interested only in immediate shipment feeds at present levels.

Continued weakness in butter markets, with another sharp break at Chicago. During the past week prices have declined an average of 6¢.

Cheese markets show slightly more activity. Dealers with goods to sell appear more confident, although buyers are still taking small lots only.

Spot cotton lower at 17.34¢ per lb. New York January future also lower at 17.92¢. (Prepared by Bur. of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. IV, no. 10. Section 1. January 13, 1922.

Tariff Power Asked for President

Broad powers asked for President Harding in administering the proposed new tariff law with a view to meeting unusual and changing world conditions which could not be anticipated by Congress would be granted under amendments to the Fordney bill proposed yesterday by Senator Smoot, of the Senate finance committee. The President would be authorized to increase or decrease tariff rates by not exceeding 50 per cent of the rates fixed in the bill, to proclaim American valuation as the basis for assessing duties on any given list of imports; to change rates within the limit of 50 per cent so as to meet situations arising in American markets as a result of depreciated foreign exchanges; to prevent dumping in American markets and to prevent discrimination against American foreign commerce by foreign countries. (Assoc. (Press, Jan. 13.)

Pinchot Opposes Forestry Bill

Gifford Pinchot, Forestry Commissioner of Pennsylvania, before the House Agricultural Committee, Jan. 12, opposed certain features of the Snell-McCormick bill to promote cooperation between the Federal Government and the States for forestry preservation as "hostile to the economic interests of the great masses of people in the United States." Populous States obliged to import lumber from other States would be at the mercy of legislatures in a few timber States dominated by the lumber interests, Mr. Pinchot declared. (Press, Jan. 13.)

Agricultural Conference Comment

"Just what can be done at such a conference is not yet apparent, but it will at least quicken sympathy with the class who have suffered the most by the precipitate deflation and decline in prices." (Commerce and Finance, Jan. 11.)

J. S. Wannamaker, president of the American Cotton Association, after accepting the invitation of Secretary Wallace to attend the Agricultural Conference, said in a letter to President Harding, published in The Journal of Commerce, Jan. 12: "I assume that constructive measures vital to the future welfare of American agriculture will be presented and acted upon as a guide for Federal legislation, aid and cooperation...I wish specifically to call your attention to the fact that debts created under a high inflation of values, labor and operating expenses, can not be paid

under artificially enforced deflation unless the debtors are given a liberal extension of time covering a period of years in which to gradually reconstruct and liquidate. This is a condition which confronts thousands of farmers in all sections of the country. To meet this condition an emergency system of finance should be devised by the Government for specifically providing for the liquidation of such indebtedness to local bankers and merchants by farmers on loans to be gradually repaid over a series of years..."

Section 2.

Agricultural Financing

The War Finance Corporation announces that, from January 9 to January 11, 1922, inclusive, it approved 241 advances, aggregating $6,191,000, for agricultural and live-stock purposes in the West and South. It also approved an advance of $1,400,000 to a banking institution organized to promote export trade, for the purpose of financing the exportation of cotton, and another advance of $225,000 to the same institution for the purpose of financing the exportation of lumber. (W.F.C. press statement, Jan. 13.)

Corn Acreage Reduction

"To us the recommendation that farmers cut their corn acreage next year seems a sappy and ill-considered plan. Manufacturers sometimes succeed in an effort to reduce production and improve the price, but they have a better chance to control production than have the farmers. To an extent manufacturers can turn the spigot...How often we have all watched an effort to reduce the acreage of the cotton crop! Always until last year the attempt failed. Terrific economic pressure finally forced the long-tried cut. Then along came the weather and weevil and made an additional cut, and the price started back up...Agricultural history as we find it says to the farmer: 'Grow all you can.' Farmers in the past have made money, not by short crops but by long ones. The competition of cheap foreign food has been met by big acreage and high production per man. In other words, quantity production--the universal rule of success..." (The Country Gentleman, Jan. 14.)

Federal Budget

"Hands off the Budget" is the title of an editorial in New York Commercial, Jan. 12, which says: "Rumors from Washington regarding the attitude of Congress toward the budget are disquieting...They are to the effect that Congress prefers to apportion expenditures through its own committees rather than through the budget system as now administered under the new law by General Dawes...It is just as harmful to the country to have appropriations improperly cut down as it is to have them improperly expanded. For instance, the Appropriations Committee refused to heed the request of the crop reporting bureau of the Department of Agriculture for the necessary funds to pay its field agents' traveling expenses. After listening to the plea of the department experts the committee simply took the ground that they had overstated the case on the theory that they would be cut down anyway, a practice altogether too

prevalent under the old system, and so slashed the appropriation to the point where most of the field agents had to remain at their desks. As a result, the estimate of last year's cotton crop fell down completely and has caused a loss to the farmers of the country running into millions. A scientific checking of the requirements of these experts would have shown exactly what was needed. The greatest menace, however, is the desire to have appropriations governed once more by political considerations..."

Federal Reserve and Farmers

Declaring that the Federal Reserve System was created for commerce and business and not for agriculture, A. W. Hendrick, a San Francisco banker, Jan. 11, criticised the system for not extending to agricultural interests the credit he said was justly due them, in an address beforethe National Wool Growers' Association. Mr. Hendrick declared that while 57 per cent of the primary deposits in the banks of the United States were furnished by the agricultural interests, only $2,000,000,000 of $14,000,000,000 made available by the Federal Reserve System was loaned to these interests. (Salt Lake City dispatch to N. Y. Times, Jan. 12.)

Federal Reserve Board Optimistic

The most encouraging feature of the business situation at the opening of the new year is that a positive foundation has apparently been established upon whichto build banking and business development during 1922, the Federal Reserve Board declared last night in its monthly bulletin for January. Policies to be pursued during 1922, the board asserted, "should therefore be constructive rather than merely conservative" and will probably show the results of this constructive quality in the form of proper enlargement of banking accommodations, greater ease and liberality in the money market and better prospects of business and economics developments. "It continues to be true," however, the board said, "that no complete or general recovery of domestic business will be possible save through the rectification of domestic conditions. The economic outlook in the leading European countries at the opening of 1922, however, is evidently better, except in one principal element, than it was six months ago." This element, the board explained, was the failure of Germany to fulfill the reparations agreement. (Press, Jan. 13.)

Food Prices

Retail food prices in sixteen principal cities in the United States decreased 12 to 18 per cent in the twelve months ending Dec. 15 last, the Bureau of Labor Statistics of the Department of Labor announced Jan. 12. The bureau's figures showed that prices prevailing last month in thirteen of the cities from which 1913 statistics were available had increased since that year from 33 to 59 per cent. During the month from Nov. 15 to Dec. 15, 1921, twelve of the cities reported decreases in food prices, two reported increases and the other two, Manchester, N. H., and Minneapolis, reported no change. Mobile, Ala., and Savannah, Ga., had the highest percentage of decrease in prices for the twelve months' period, each reporting an 18 per cent decline. Other declines were: Indian-

apolis and Salt Lake City, 17 per cent; Detroit, Louisville, Milwaukee, Minneapolis and Washington 10 per cent; Omaha, 15; Bridgeport, Dallas and Philadelphia 14; Chicago and Manchester 13 and New York 12 per cent. (Press, Jan. 13.)

Grain Marketing

Sales facilities at the principal grain markets will be established by the executive officers of the U. S. Grain Growers, Inc., who were so instructed and given full authority to complete such arrangements by the board of directors of the farmers' grain marketing company during a four-day session which closed at Chicago, Jan. 7. Members of the national grain-marketing organization who are asking for early action in establishing sales connections to handle grain crops are in the marketing districts adjacent to the grain markets of Chicago, Indianapolis, Omaha, Kansas City, Oklahoma City and St. Paul or Minneapolis. In asking for such authority, the executive officers pointed out that more than 36,500 farmers have now contracted with the company, representing approximately 100,000,000 bushels of grain, and that an average of 2,000 farmers are joining the movement each week. (U. S. G. G. press statement, Jan. 9.)

Wool Growers' Convention

President Hagenbarth, of the National Wool Growers' Association, reviewed the difficulties of wool growers, at the 47th annual convention of the association at Salt Lake City, January 10. He stated that during the past few years, which, he said, were the worst periods in the history of the industry, that not only had wool growers to share the general depression after the war, but they had peculiar disasters, such as the drought of 1919, Government requisition of wool when an open market would have meant prices twice as high, a severe winter, and then the collapse of the wool market, all in the face of advancing costs. He said, further: "That the emergency tariff act is unjust to manufacturers, no fair man will deny. On the other hand, the western wool growers disclaim any intention or any blame for the present form of the law and stand ready for proper amendment. We realize that the American manufacturer is the American growers' best market. At the same time we firmly demand that the two industries be placed on exact equality. The wool grower knows his needs, and therein he must meet competition. He has learned through bitter experience that a tariff based on clean content of wool is the only method to give real protection. A close study and analysis of all facts involved shows that at this time a duty of not less than 33 cents per clean pound is necessary to keep industry on its feet."

The important feature of the second day of the convention was the address by W. W. Armstrong, a Salt Lake banker, who was foremost among those forming the Bankers' Loan Co., for the assistance of sheepmen. In his address he strongly urged the pooling of wool and outlined general plans for expanding the Utah pool for the coming year. He gave assurance that the bankers of the intermountain region are behind the sheep and wool men and will see them through. (N.Y. Daily News Record, Jan. 11.)

2. The resolutions adopted at the 47th annual convention of the National Wool Growers' Association, January 11, include: Urging Congress to levy duty on all wools used in wearing apparel at 33 cents per pound, based on scoured content, with consistent duties on waste and shoddy; adequate compensatory and protective duties on imports of all manufactured products from wool; asking amendment to Federal Reserve law permitting agricultural credits on 12 months' time; extension of loans provisions of War Finance Corporation on wool and sheep until January 1, 1923; amendment of law to permit loans on land as collateral; strongly indorsing French-Capper truth in fabric bill; favoring cooperation in marketing sheep and wool. (N.Y. Daily News Record, Jan. 12.)

Section 3.

MARKET QUOTATIONS

Farm Products

Jan. 12: Wheat had firm undertone on strength in cash markets. Milling demand improved with Minneapolis premiums higher. Kansas City and Omaha reported good cash demand. Chicago May wheat higher at $1.10 5/8; Chicago May corn higher at 53 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.16; No. 2 hard winter wheat $1.07; No. 2 mixed corn 49¢; No. 3 white oats 35¢. Average price to farmers in central Iowa for No. 2 mixed corn about 36½¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.07; to farmers in central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market higher, bulk of sales $8 to $8.40. Beef steers, fat cows and heifers steady to strong; medium and good beef steers $7 to $9.25; butcher cows and heifers $3.50 to $8.25. Calves strong to 25¢ higher; light and medium weight veal calves $6.50 to $9.50. Sheep and lambs generally steady.

Potato markets steady; demand limited. New York sacked Round Whites nearly steady at $1.92 per 100 lbs. f.o.b. Maine Green Mountains, in bulk, slightly weaker at $1.66 to $1.76 f.o.b. Maine Baldwin apples from cold storage steady $7 to $8 per bbl. Eastern Yellow Globe onions firm at $6.50 per 100 lbs. sacked, f.o.b. Connecticut Valley points.

Extremely light hay receipts causing price advances in several markets. Demand in eastern markets limited. Millfeed markets inactive. Demand and offerings light. Cornfeeds in good supply; prices steady. Linseed meal in ample supply.

Butter markets steadier. Cheese markets showed slightly more activity. Severe weather has interfered with shipping to some extent in Wisconsin, especially in northern districts.

Spot cotton higher at 17.35¢ per lb. New York January future also higher at 17.95¢. (Prepared by Bur. of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 11. Section 1. January 14, 1922.

Tariff Legislation

Final discussion of the basis of assessing the import duties which are to be written into the new tariff bill was started January 13 by Republican members of the Senate Finance Committee. They hope to reach a decision on this, the most important and difficult phase of the whole tariff problem, before the end of next week and then the actual work of constructing the rates will be undertaken. The hope now is that the bill can be reported to the Senate around March 1. Besides discussing the American valuation plan and various substitutes with members of the Tariff Commission and the Court of Common Appeals, the committeemen received from the Senate Republican-farmer-tariff bloc recommendations as to rates on farm products. These included a suggested duty of 5 cents a pound on short staple cotton, which always has been on the free list, and a rate of 33 cents a pound on wool, on the basis of the scoured content, as against the 25 cents proposed in the Fordney bill. Rates at increases over those in the Fordney bill on wheat, oats and many other products also were urged. Increases over the Fordney rates were also urged on farm products, notably wheat, barley, oats, corn, potatoes, poultry, and fruits. They also urged a duty on hides, green and dried, which the Fordney bill would continue on the free list. (Assoc. Press, Jan. 14.)

Reserve Board and Farmer Member

Members of the Federal Reserve Advisory Council protested to President Harding, January 13, against legislation now before Congress requesting the President to appoint a farmer to the next vacancy in the Reserve Board. This body, which acts in an unofficial capacity, declares the bill fostered by the "agricultural bloc" in Congress to be "objectionable class legislation" and that "it should be either defeated or withdrawn." The President let it be known that he is in accord with the recommendation of his visitors that the appointment of a farmer to the Federal Reserve Board should not be obligatory upon the Executive. It is known that Mr. Harding is not averse to appointing a farmer to the board and that he favors legislation permitting him to do so, but he regards compulsory legislation as unwarranted interference by Congress in the Executive's appointing power. A petition was left by the delegation with the President in which it was declared that the proposed legislation "endangers the safety of the Federal Reserve system and seriously menaces the future of the entire country." (N.Y.Times, Jan. 14.)

The Protest Approved

Commenting upon the protest of the Federal Reserve Advisory Council, The Philadelphia Public Ledger to-day says in an editorial: "In the memorial presented to President Harding yesterday the Federal Advisory Council of the Federal Reserve Banks has done the Nation a signal service. This protest against surrendering the independence of the national financial system to the interest of any special class, even though that class be the American farmer, will be echoed in every American community...The farmer has been misled by his James R. Howards, of Iowa, and his Charles Barretts, of Georgia. The farmer is going after the scalp of the Federal Reserve Bank; and particularly is he after the scalp of W. P. C. Harding, governor of the board. He has the vague idea that he should have been given extra special and tender consideration by the Federal Reserve. He lays many of his present undoubted woes to brakes that were put on by the Reserve banks. The farmer insists that the Reserve System is responsible for his hard times and low prices, forgetting or ignoring the fact that the downward sweep of prices has been world-wide and that the great reason for lowered prices is the lowered buying power of the consumer in all countries. The farmer has been told this by his own friends on the Joint Commission of Agricultural Inquiry; but he has ignored it. It does not fit in with his prejudices and fixed beliefs...This is one of the most ambitious of the 'farm bloc's' attempts at class legislation. What the farmer wants, or seems to want, is class domination of the financial system, with himself as 40 per cent of the Nation, firmset in the saddle. The move ought to be shattered. The passage of the bill would not help the farmer..."

Flexible Tariff Rates

Referring to the amendments to the Fordney tariff bill proposed January 12 by Senator Smoot, The New York Times to-day says in an editorial: "This plan would certainly give us an elastic tariff. It would be pulled here and snapped back there with easy grace. Now the importer would see the rate he has to pay, and now he wouldn't. As a game to amuse children this might do. But as a scheme to 'settle' the tariff once for all, and to give to business men certitude in their transactions, it leaves much to be desired."

Upon the same subject, The Washington Post to-day says: "The efficacy of the new tariff will depend largely upon provisions which will enable it to offset conditions in foreign countries where, owing to the low rate of exchange, prices have reached unusually low levels. Against the products of these countries it will be necessary to impose a greater measure of protection than against the products of countries where wages and raw materials are nearer the American level."

Packer Legislation

The Supreme Court will be asked to expedite action of the case to test the constitutionality of the Packers and Stockyards Act, it was said January 13, at the Department of Justice, in order that the question of its validity may be cleared up as soon as possible. (Press, Jan. 14.)

Agricultural Conference Comment

Manufacturers Record, January 12, says: "The President has summoned a national conference on agriculture. It may avert the political revolution which has been gathering power day by day, and which the President himself, followed by Secretary of War Weeks, sought to stay by gestures of reprimand to the so-called Agricultural Bloc in Congress. There is no discipline that can destroy that bloc...A Congressional Joint Commission of Agricultural Inquiry has been intensively studying the agricultural situation for many months. There is reason to believe that it has prepared a report recommending legislation that would cut loose the strings with which usurers and an antiquated credit system have kept farmers closely tied...Edements in the executive branch of the Government, including the President himself, have been wheedled and fooled into believing that the legislation proposed is legislation for a special class, that it is favoritism, and that it is an attempt to turn the Government over to a clique. Heaven help men whose intelligence is so little that legislation devised to bring back into health the fundamental industry of the Nation appears to them as class legislation! It may be that this agricultural conference, at this time, may find itself being used as a monkey wrench to be thrown into the machinery and split the Agricultural Bloc...The test of the value of the conference will be its determination to demand that the immediately necessary thing be done. It should adopt a resolution demanding that the President dismiss at once all members of the Federal Reserve banks who have been responsible for the immoral and criminal warfare which has been waged against nonmember banks...There must be something artificial that has brought farming, in all its branches, in all the States, to the verge of ruin. What is that artificial thing? A fallacious financial policy. A conference of farmers that does not so decide and demand a remedy will be a worthless conference and a mere throwing of dust into the eyes."

Referring to the Agricultural Conference, "We doubt whether this is the best plan to arrive at 'practical ways' to improve the condition of agriculture, though it is one way to let the rest of the country know what the condition of agriculture really is and how farmers feel about it. May we hope that the invitations will include sound-thinking men and will exclude both salaried calamity-howlers and idiotic sunshine purveyors?" (National Stockman and Farmer, Jan. 7.)

"Just what is expected to grow out of the Washington conference we do not know. Somebody may have a program of action framed, but if so we have not heard of it. Whether it will be productive of any good or not is problematical. There has been talk enough already to make everybody happy and prosperous, if it could be done that way..."(The Breeder's Gazette, Jan. 5.)

"Aiding the Basic Industry" is the title of an editorial in to-day's Washington Herald, which quotes largely from an extensive editorial, or other form of statement, in the New York Herald which compliments President Harding on his "clear economic vision and plain sense" which, it is claimed, are "safe guides for Congress and others to follow in this all-important matter." President Harding's concern for the farmer, says the Herald, "is sympathetic, sound and right. American intelligence of whatever section or in whatever work can not but agree with him that the welfare of the agricultural industry and the welfare of the country are inseparably linked. The vast part the farmer plays in our industrial life is sharply outlined by the estimate of the Secretary of Agriculture that the products of the soil provide the national railroads directly with more than 20 per cent of their total tonnage and indirectly with as much more, or altogether not far from half of all the business of the American transportation system."

Section 2.

Agricultural Bloc

"The Need for the Farmers' Bloc" is the title of an editorial in Western Breeders Journal, December 29, which says: "So long as its activities are confined to the relief of the farmers' distress following the boom days of the war and the year and a half of inflated prices which followed, there will be few to criticize the agricultural bloc. The fairness and moderation of its demands have given to the world a new understanding of the farmers' reasoning. Although conditions have been abnormal, the leaders have not turned to new fads and socialistic panaceas, but have rather sought to meet in friendly council the men who need them and whom they need if any relief is to be attained."

Farmer on Reserve Board

"The proposition to put on the Federal Reserve Board a genuine farmer...will not in the slightest degree meet the needs of the situation. A dirt farmer or any other farmer might come under the domination of the controlling influence of the board just as easily as other men have. In the reorganization of the board the number of members should be not less than twelve, and there should be representatives of the farm interests, the railroad interests, the manufacturing and mercantile interests, with bankers in the minority..." (Manufacturers Record, Jan. 12.)

Foreign Trade

"Whatever doubt has existed up to this time as to our participation in the Genoa conference in March should give way to the soberer conclusion that the United States should not only be represented but should take part in the negotiations... Ask the farmers of the South what a recovery of the buying power of Europe will mean to them in the disposal of their surplus cotton. Ask the farmers of the West what it will mean to them to dispose of their surplus grain. Ask the cattle raisers of the Southwest what it will mean to them to increase their beef shipments to Europe...It is possible forus to get along without this export trade, but 10 per cent of the industrial workers will have to remain idle and our surplus crops would have to remain unsold. The buying power of the agricultural community will be correspondingly reduced and we will drag along as we have been doing for the past 18 months hunting around for artificial remedies while ignoring natural causes." (From editorial, N.Y. Commercial, Jan. 12.)

Foreign Trade in 1921

According to statistics furnished by the Department of Commerce for the first 11 months of 1921, together with an estimate for December, there were exported to Europe last year goods to the value of $2,380,000,000, as compared with exports for 1913 amounting to $1,500,000,000, showing an increase over the prewar period of $775,000,000. Imports from Europe in 1921 were $760,000,000, as compared with imports in 1913 amounting to $865,000,000. This shows that the United States in its dealing with European countries last year had a balance of

trade in its favor of $1,620,000,000, as against a balance in 1913 of $635,000,000, or about two and one-half times as great. (Press, Jan. 13.)

Muscle Shoals

Henry Ford's offer for purchase and lease of the Government's nitrate and water-power projects at Muscle Shoals, Ala., will be referred to Congress for final decision, it was announced January 13, at the conclusion of conferences between Government officials and Mr. Ford. (Press, Jan. 14.)

Sugar Tariff

Hawaii sugar men are concerned over the efforts being made in Congress to have the present emergency sugar tariff removed or reduced, and a resolution setting forth the crippling effect such action would have on the Territory's leading industry has been adopted by the Honolulu Chamber of Commerce and forwarded to the President and to Members of Congress. The resolution points out that, despite the present tariff protection, the domestic producers of sugar in the United States are struggling to carry on their industry through the present period when the production cost is in excess of market value, due to over-production, anticipating a time when the natural law of supply and demand will restore the industry to a normal basis. (Honolulu dispatch to Philadelphia Ledger, Jan. 13.)

Section 3.

Department of Agriculture

1. "False Views" is the title of an editorial in Pennsylvania Farmer for January 7, which resents a criticism of the annual report of Secretary Wallace published in The Journal of Commerce for December 13. The editorial says in part: "The point made by the New York editorial writer is this: 'Either our agriculture is of great importance in our economic life...or its is not. If it is, then it should not and is not in need of special consideration. If it is not naturally a great asset no amount of special favor will make it so.' Disregarding the doubt which seems to exist in this writer's mind as to the importance of the agricultural industry, he has an erroneous idea when he thinks that agriculture needs, or is asking for, special favors. If there are any who demand legislation which does 'smack of special favor' they do not represent the mass of thinking American farmers. Even though agriculture is the most uncertain and speculative of all industries, farmers are willing to take the chances of production, provided they receive fair play in the marketing of the products which they have grown."

2. "The December crop report ofthe Department of Agriculture is probably the most extraordinary document ever issued by that venerable institution. The country is not unaccustomed to year-end revisions of moderate extent in the estimates of the past summer's crops, but the discovery that all the estimates of all the crops of the past three years have been more or less radically wrong is enough to cast serious doubts on all future estimates which the department may issue...How much the mistake has cost, in one way or another, can not possibly be estimated. The Department of Agriculture, consciously or unconsciously, has

for three years been throwing its influence on the bull side of the wheat market, by indicating a shortage which it doubtless believed in, but which, as a matter of fact, did not exist...The United States has, beyond question, one of the best crop-estimating institutions in the world...and its reporters are, as a rule, men well-trained by experience in determining yields. That, even with such an organization, there should have been for three consecutive years an error of from four to 10 per cent in the estimation of the wheat acreage shows clearly how little reliance is to be placed on crop estimates from foreign countries, many ofwhich are by no means as well equipped as the United States for making accurate crop guesses...For the sake of its own standing as a Government agency, the department needs to demonstrate, as it doubtless can, that its mistake was purely and simply an error, and was in no way influenced by any desire to construct an artificial prop for wheat prices." (Northwestern Miller, Jan. 4.)

Section 4.
MARKET QUOTATIONS

Farm Products

Jan. 13: Wheat market strong after weak start; Chicago May wheat higher at $1.12; Chicago May corn higher at 53 1/8¢. Milling demand continues to improve; cash market strong; premiums for choice grades higher. Closing prices in Chicago cash market: No. 2 red winter wheat $1.18; No. 2 hard winter wheat $1.10;No. 2 mixed corn 49¢;No. 3 white oats 34½¢. Average price to farmers in central Iowa for No. 2 mixed corn about 36¢; to farmers in central Kansas for No.2 hard winter wheat 92¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.07½.

Chicago hog market lower, bulk of sales $7.75 to $8. Better grades of beef steers about steady; other grades and fat cows and heifers 15¢ to 25¢ lower. Medium and good beef steers $6.85 to $9.25; butcher cows and heifers $3.50 to $8. Fat lambs down 15¢ to 25¢ at $9.75 to $11.75.

Potato markets nearly steady at $2.25 to $2.45 in East. New York Round Whites down 10¢ at $1.95 per 100 lbs. sacked at shipping points. Maine Green Mountains in bulk down 20¢ to 25¢ at shipping points at $1.66 to $1.76 per 100 lbs. New York Danish type cabbage steady at $40 to $42 per ton bulk f.o.b. New Jersey yellow sweet potatoes steady in New York City at $2 to $2.25 per bu. hamper; $2.25 in Pittsburgh.

Hay receipts in eastern markets light; prices firm; demand limited. Larger arrivals weakened demand at Chicago but prices there were unchanged. Feed demand continues light in most markets.

Butter markets firm, following advances the past two days. Best trading on top grades. Trading in cheese markets fairly active; tone steady. Increased demand for small lots.

Spot cotton higher at 17.37¢ per lb. New York January futures unchanged at 17.95¢. (Prepared by Bur. of Mkts.& Crop Est.)

Industrials & Railroads

Jan.13: Average closing price 20 industrials 80.82, as compared with 74.48 corresponding day 1921; average closing price 20 railroad stocks 74.98, as compared with 77.15.(Wall St.Jour.,Jan. 14.)

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Vol. IV, no. 12. Section 1. January 16, 1922.

Tariff Legislation

Further discussions, January 14, by Republican members of the Senate finance committee as to the basic principles of assessing import duties was said to have developed a decided trend toward the latest proposed plan of assessment on the basis of the wholesale selling price of the important aticle in the American market at the time of shipment. No final decision was reached, as the majority members are waiting a final development of the working of this plan by members of the tariff commission and the court of customs appeals, which has indorsed it. (Assoc. Press, Jan. 15.)

Farmer on Reserve Board

Agreement has been reached by leaders of the Senate agricultural bloc on two alternatives designed to remove objections held by President Harding to legislation proposing a farmer representative on the Federal Reserve Board. These are expected to be presented to the White House so that the President may indicate his preference, which then will become the accepted solution of the Senators supporting the legislation. The first of the two suggestions, said to have been adopted after a series of informal conferences January 14 and 15 between bloc leaders, is that the proposed statute be changed to give membership on the board to representatives of the several phases of national industrial and commercial effort. The second would wipe out any specific designation as to the make-up of the board, which now must include two members of banking experience, and leave the representation to the authority holding the appointing power. (Press, Jan. 16.)

Farmers as Bankers

The New York Times to-day says in an editorial: "Self-interest may obscure to the farmers the logic of the Federal Reserve Board in being against the farmers' proposal to make politics and interests dominant in the board. But it would seem that the farmers must at length perceive how thoroughly sympathetic with them the board is...The objection to the pending bill is that it requires the President to appoint to the first vacancy a 'dirt farmer'; that is, a 'person whose business and occupation is farming.' As it happens, the first vacancy is that of the Governor of the bank, and the President's discretion would be controlled regarding the appointment as representative of agriculture of a person who raises crops. The power of appointment should not be controlled otherwise

than by the approval of the Senate. It is obnoxious that the official who has been both efficient and sympathetic in the banking service of the farmers should be sacrificed to their prejudices with intent to cripple the general services of the bank to the whole country...Even before the farmers made their demands, their loans were made for longer periods than available to other classes of paper, because the difference of the farmers' business was recognized. Can the farmers not see that the difference in their business makes it better that they should be served through their own banks than that the general bank should be mutilated in principle?..."

Ladd Forecasts Farming Decline

A prediction "that in five years the farmers of this country will only produce enough for home consumption, and in ten years we will be importers of the most ordinary articles of daily use," was made in Washington, January 14, by Senator Ladd. He declared that farmers worked at a loss during 1921 of $14,000,000,000. "The farmers are the largest purchasers of manufactured implements in America, and when they cease to buy the effect is felt on all markets of the country," he said. (Press, Jan. 15.)

Agricultural Conference Comment

"At President Harding's request Secretary Wallace calls representative farmers, middlemen, packers, manufacturers, bankers and college men to confer over the agricultural crisis. Did you ever hear of those other interests inviting farmers to their conferences? No matter, it is well for all interests to confer, for they are all interdependent. This latest confab can do no harm--it may do some good." (New England Homestead, Jan. 7.)

Referring to the conference, California Cultivator for January 7 says: "It is probable that this discussion has been advanced because of a desire to stabilize the country's greatest industry. Notwithstanding that, it is also probable that the farmer's bloc in Congress has taken such a stand that it was seen he was getting in a condition to fight his own battle...In other words, the captains of industry have arrived at a point where they are willing to join with the farmer in correcting the present situation instead of sympathizing and preaching up to it...When the farmer with the small capital invested has an equal show with the manufacturer with large capital we believe it will be found there is but a short step back to normalcy."

"Probably the best thing that could be done in behalf of American agriculture is the thing that President Harding has done in instructing Secretary Henry C. Wallace to call a general conference to discuss agricultural problems and recommend action and policies calculated to better conditions...If there is any industry more intimately associated with agriculture than the implement industry, those of us in the trade would like to hear of it...It seems perfectly plain, then, that the implement industry is to be included in the general conference. If so, not only the manufacturing arm of the industry should have its spokesman but the distributing arm as well...When all the elements of agriculture know what each is trying to do and the difficulties they meet in doing it, there is a pretty good chance for these elements to be so coordinated as to get agriculture to going steadily straight forward once more. Herein lies the sole potential value of President Harding's agricultural policy." (Implement and Tractor Jour., Jan. 7.)

"One outstanding feature of the announced conference at Washington, called by the Secretary of Agriculture, at the request of the President, is the knock it gets from the organized farmer officials located at Washington, and spending the farmer's money on a lobby for favorable legislation. These officials do not want to see any understanding reached between the farmer and other business interests, for their jobs are at stake, but how do the farmers at home look on this? The farmer association officials poke the finger of scorn at the disarmament conference, and give that failure as a reason why any effort now to bring about a common understanding will fail. We fail to see any American spirit in this, and if the farmer association officials can get away with it, the more need for such a conference as Secretary Wallace proposes. Secretary Wallace is a friend of the farmer, and he is doing good work in trying to harmonize any seeming differences at this time between the farmer and the rest of the people..." (The Eastern Dealer in Implements and Vehicles, Jan. 5.)

An editorial in The Rural New Yorker for January 14 says in part: "It is plainly stated by many farm leaders that the real object of the conferences is to destroy the power of the 'agricultural bloc' now acting so efficiently to promote farm legislation in Congress. There is no question that party leaders in Washington are much concerned over the work of this 'bloc' in shaping legislation. This group of Senators from the Southern and far Western States has openly combined to promote agricultural legislation, and they have succeeded in holding up party programs. They are doing openly what groups of senators have for many years done secretly for other interests."

"The proposed conference may be of material benefit and every person who realizes the extent and cause of the agricultural depression sincerely hopes that it will. A good many things originating in the head and heart of those outside the farming industry can help solve or lighten its many problems better than too much legislation." (The Nebraska Farmer, Jan. 14.)

"If things continue as they are and have recently been, the agricultural interests will have small cause to complain of a lack of concern on the part of the Government concerning their weal. A conference is slated for the 23d inst. for the avowed purpose of helping the farmers beyond what has so far been done for them, and assurances of all kinds are given of the 'sympathetic interest with which different departments regard them. This seems to be a recognition of the power of the agricultural 'bloc'". (N. Y. Times, Jan. 15.)

"The Congressional Joint Commission of Agricultural Inquiry has begun to publish the results of its inquiries into the needs of agriculture...Yet, President Harding desired a 'conference' to be called to go over the same ground and make recommendations of the same sort; evidently he had forgotten the joint commission or had no confidence in its work or wants quicker work bt more spectacular methods...The suggested agenda is identical with the joint commission's work; except that it is comforting and probably reassuring to know that among these choice hand-picked delegates to the conference,...there will be some to represent the public...Some Washington correspondents imagine the President is calling the conference as a foil to the agricultural bloc. In that case he should have sent out his invitations himself." (Price Current-Grain Reporter, Jan. 11.)

Section 2.

Agricultural Bloc

"All opposition to the agricultural bloc seems based upon the fact that its members have disregarded party lines and tried to get something done which would benefit agriculture, the major industry in the States which they represent. They understand that national prosperity can not be achieved at the expense of agriculture. That the bloc has been partially successful in its efforts, only makes it the more obnoxious to its opponents." (Pennsylvania Farmer, Jan. 14.)

Living Cost Now 20.3% Below Peak

The National Industrial Conference Board, New York, January 14, issued a statement showing the results of a comprehensive investigation of the cost of living for the country as a whole since 1914. "The total increase in the cost of living from the beginning of the war to November, 1921, was 63 per cent," the statement says. "The rise in cost of the major items in the wage-earner's family budget during this period is estimated to have been as follows: Food, 52 per cent; shelter, 69 per cent; clothing, 61 per cent; fuel and light, 79 per cent; sundries, 78 per cent." The report shows that the peak of the cost of living in the United States was reached in July, 1920. Since then, the total cost of living has decreased 20.3 per cent. Food has decreased 31 per cent; clothing, 39 per cent, and sundries 4 per cent; while shelter has increased 7 per cent, and fuel and light, 8 per cent. The change in the cost of living between July, 1921, and November, 1921, the report shows, was almost negligible, averaging only 0.03 per cent. (N.Y.Times, Jan. 16.)

Packer Employees' Strike

The Eastern office of the Institute of American Meat Packers announced, January 14, that the six New York meat-packing firms against which a strike was called on Dec. 10 have been notified by John Kennedy, President of the district council of the Amalgamated American Meat Cutters and Butcher Workmen, that the walkout had been officially declared off. (Press, Jan.15.)

Price Investigation

"More Investigation Folly" is the title of an editorial in The Journal of Commerce for January 12, which says: "It is by no means easy to understand many of the recent investigations--unless indeed the whole matter be considered merely as a move on the political chess board. Apparently it has been determined in any case--following conferences among three of the Cabinet officers--to proceed with an even more far-reaching and inclusive inquiry than was at first announced as being planned... It may well be that behind this whole movement there lies the desire to aid the farmer by advancing the prices of agricultural produce--or at least appear to try to do so. The announced intention of using materials compiled by the Congressional Commission of Agricultural Inquiry in connection with the proposed campaign gives some color to this view...Whatever the purpose, plan or motive, the whole movement is unwise in the extreme,

unjustified from every point of view and contrary to specific pledges given...The less there is either of inquisitorial Government persecutions or of malicious accusations in the future the better for all concerned..."

Section 3.

Department of Agriculture

1. The Philadelphia Ledger to-day says in an editorial: "In and out of Congress attempts are being made to change the handling of the United States Forest Service and public forest reserves. Bills are appearing to this end. There seems to be a concerted move to reopen the fight that was fought and settled under Roosevelt. The general aim of the measures is to get the Forest Service away from the Department of Agriculture. Why? The bills agree in a general trend toward placing the forest reserves under the Department of the Interior. Why? One measure sponsored by Senator New, of Indiana, would take the great forests of Alaska and place them under the Department of the Interior's charge. Still another would place Alaskan timber under some sort of local board, with the Forest Service having nothing to say about it. What is the idea? The Department of the Interior is a sort of a real-estate broker for the Government. Are we to begin raiding and selling the forest reserves? The Department of Agriculture is producer and marketer of crops. It has been handling the forests ably as a crop, according to the best practices of forestry and the tenets of conservation. In Roosevelt's time, in the days when "Ballingerism' was fought to a standstill, it was necessary to take the forests away from the control of the Department of the Interior. Why put them back again? This move and the men back of it should be watched. It will be very hard to show that Secretary Fall is any better fitted to watch and guard the forest reserves than is Secretary Wallace. Just who and what interests are back of this quiet move to undo what was so hard to do in the regime of Secretary Ballinger?"

2. "Agricultural Optimism" is the title of an editorial in New England Homestead, for January 7, which says: "In his annual report Secretary of Agriculture Wallace strikes a note of optimism for the future of American agriculture despite the serious handicap farmers have been experiencing in recent months. He believes the worst period is over and looks for a gradual improvement from now on...This is the type of annual report American agriculture has been waiting for these many years. Secretary Wallace sees the dirt farmer's problems in their true light but doesn't let the depressing items obscure his vision of a hopeful way out to better conditions."

Section 4.

MARKET QUOTATIONS

Farm Products

After registering highest prices for week on the 7th grain market declined on the 9th and 10th, then rallied, but closed weak. Chicago May wheat down 1¼¢ net; Chicago May corn down 1¢. Principal factors were rains in drought sections of Southwest; good milling demand; strong cash markets, and good sales wheat and corn for Russian relief.

Butter markets demoralized early in week but firm at close following advances the last few days. Best trading on top grades. Trading in cheese markets fairly active; tone steady. Increased demand for small lots.

Hay receipts light in eastern markets; prices firm; demand limited. Larger arrivals weakened demand at Chicago and Cincinnati. Feed demand continued light in most markets. Wheat-feeds a trifle easier, due to heavier offerings from spring wheat mills for future shipment.

Eastern potato consuming markets weaker; Chicago market steady. Demand and movement limited. Barreled apple markets firm. Cabbage prices trended downward.

Chicago hog prices down 20¢ to 75¢, light hogs showing the greatest loss. Beef steers and fat cows and heifers declined 15¢ to 25¢; bulls steady to 15¢ lower. Veal calves steady to 25¢ higher; stocker and feeder steers up 25¢ to 35¢. Fat lambs up 25¢ to 50¢. Eastern wholesale fresh meat prices firm to higher.

Spot cotton prices declined 39 points; January futures at New York down 42 points.

Jan. 14: Chicago grain market weak and narrow under liquidation and lack of support. Export demand slow. Corn trade light and easier. Country offerings not large; cash market slightly lower. Chicago May wheat lower at $1.11½; Chicago May corn lower at 52¾¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.17; No. 2 hard winter wheat $1.09; No. 2 mixed corn 49¢; No. 2 yellow corn 48¢; No. 3 white oats 35¢. Average price to farmers in central Iowa for No. 2 mixed corn about 35¢ to farmers in central North Dakota for No. 1 dark northern wheat $1.09½; to farmers in central Kansas for No. 2 hard winter wheat 9¢

Chicago hog market lower, bulk of sales $7.50 to $7.85. Cattle and sheep prices practically unchanged. Medium and good beef steers $6.85 to $9.25; butcher cows and heifers $3.50 to $8. Light and medium weight veal calves $6.50 to $9.50; fat lambs $11.50 to $12.85

Potato markets steady; demand and movement limited. New York sacked Round Whites firm f.o.b. at $2. Maine Green Mountains in bulk steady f.o.b. at $1.66 to $1.76. Maine Baldwin apples No. 1 from cold storage, steady in Boston at $7 to $8 per bbl. Danish cabbage steady at $40 to $42 per ton bulk f.o.b. New York shipping points.

Spot cotton unchanged at 17.36¢ per lb. New York January futures up 5 points at 18¢. (Prepared by Bur. of Mkts.& Crop Est.)

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Vol. IV, no. 13. Section 1. January 17, 1922.

Valuation Plan

Tentative agreement was reached January 16 by Republican members of the Senate Finance committee to assess import duties under the new permanent tariff law on the basis of the selling price in the American wholesale market of the imported article at the time of its shipment to the United States. (Press, Jan. 17.)

Packers' Decree

Congress would take a hand in the enforcement of the consent decree reached between the Federal Government and the Big Five meat packers under a resolution introduced January 16 by Senator LaFollette. The measure went over under the rules. Calling attention to the fact that Attorney General Daugherty recently had referred to a special committee appointed by himself a proposal to modify the consent decree in such a manner as to enable the packers to re-enter the wholesale grocery field, Senator LaFollette said his resolution would declare it the sense of the Senate that there be no modification without specific authorization of Congress.

Furthermore, the resolution would direct the Senate Agricultural Committee to "investigate this entire matter and recommend to the Senate what action it deems necessary in the premises." The Senator said: "It appears to me particularly inappropriate at this time, when the Secretary of Agriculture is about to summon a conference to consider the deplorable conditions among the farmers of the country, due in large part to the control exercised over the farmers' market by the Big Five packers, that another member of the Cabinet should have under consideration a measure which can only result in the future injury of agricultural interests and incalculable damage to independent grocery dealers and the consuming public as well." (Press, Jan. 17.)

Lakes-Seaway Project to Congress

The detailed plan for the construction of the St.Lawrence seaway which would make ocean ports of cities on the Great Lakes, was submitted to Congress January 16, together with the recommendation of the international joint commission that the project be undertaken at once by the United States and Canada. (Press, Jan. 17.)

Farmer for Reserve Board

"The Senate will vote to-day on a bill to add a new member to the Federal Reserve Board, and this member, according to an understanding reached by members of the 'farm bloc' and the President, will be a farmer. The bill is a compromise measure resulting from President Harding's opposition to the original farm bloc bill, which specifically required the President to nominate a representative of agriculture to fill the first vacancy on the Reserve Board. The present bill, drafted by Senator Kellogg, adds a sixth member to the board and requests the President in making the appointment to have 'due regard' for a fair representation of the financial, agricultural, industrial and commercial interests of the country." (Press, Jan. 17.)

On the subject of a farmer on the Federal Reserve Board, The Commercial and Financial Chronicle, January 14, says: "It is gratifying to find with what unanimity the attempt to intrude class legislation and class control in the Federal Reserve banking system is being opposed...It would be fateful notice to the entire country that the Federal Reserve System had come under the domination of a powerful political group, designed to secure special privileges for a certain class."

On the same subject, New York Commercial, January 16, says: "The attempt to force a farmer on to the Federal Reserve Board simply because he is a farmer is vicious class legislation. Congress is inclined to give ear to the farmers only because of their numerical strength. They have no more right to specific representation than merchants, manufacturers, exporters, labor or any other special group. A farmer, as such, can not help the farmers of the country by his mere presence on the board. As a matter of fact, he would soon find himself in a difficult situation, for upon making a close study of the actual administration of the law, he would find that he had no more ability to wave a wand and so distribute the wealth of the country among the farmers any more than he had before."

The Wall Street Journal for January 16 says: "In the Batavia Daily News of January 11 is an extract of a speech by a farmer that is well worth reading. It proves that the sober-minded farmers of the country are not to be judged by the radical measures proposed by the agricultural bloc in Congress. The speaker was S. L. Strivings, president of the State Federation of Farm Bureaus. He clearly saw the danger in the efforts of the bloc to force a farmer into the Federal Reserve Board to direct the National banking system. 'We must do,' he said, 'the things we aretrained to do, and delegate to others the services they are trained and qualified to perform.'"

Bankers to be in Touch with Conference

Coincident with the National Agricultural Conference next week, Joseph Hirsch, chairman of the agricultural commission of the American Bankers' Association, has called a meeting of the commission to be held in Washington, Jan. 22. This commission of the Bankers' Association is composed of representative bankers from widely separated points and has as its aim the stimulation of banking interest in better and more profitable agriculture, in improvement of rural educational systems and in the betterment of rural conditions. (N.Y. Times, Jan. 17.)

Agricultural Conference Comment

"The calling of a national conference at this time for the purpose of considering the problems of agriculture is a praiseworthy move on the part of President Harding and is undoubtedly inspired by the best of motives. We have no doubt that such a conference will be most helpful in bringing out the exact facts about the present critical agricultural situation, and should be equally helpful in bringing to light practical suggestions for the relief of that situation. One of the most hopeful signs on the agricultural horizon is found in the fact that all of our people, both farmers and business men, realize that the first essential in bringing back normal conditions in this country is to place agriculture in its proper relation to the other industries. When a whole Nation starts to thinking about the relief of agriculture something is going to happen." (The Farmer, St. Paul, Jan. 14.)

"This conference is expected to develop a better understanding of present farm problems, including transportation and freight rates. President Goetzmann, of the federation, and James F. Bell, of the Washburn-Crosby Co., will be in attendance, and other millers will probably listen in, to get in touch with developments in the marketing problems." (Modern Miller, Jan. 14.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that during the week ended January 14, 1922, it approved a total of 455 advances, aggregating $12,318,000, for agricultural and livestock purposes. (W.F.C. press statement, Jan. 16.)

Corn

"Corn as a Business Barometer" is the title of an article in The Magazine of Wall Street, January 7, which reviews the influence of low corn prices on the purchasing power of the agricultural community and presents a prospect for higher prices. The article states that commercial travelers returning from the corn belt report that farmers, particularly those who are chiefly engaged in raising corn, are reluctant to buy even necessities for the simple reason that they are not receiving enough for their corn to pay even the cost of production. It states that one of the direct results of this situation has been seen in the poor showing of the mail-order houses.

Forestry Legislation

"It is an unfortunate fact that the climax of the necessity for forestry legislation should have been reached before there has been made available any dependable information as to just what kind of legislation is needed...It is a safe assertion that neither the Nation nor the lumber industry would be benefitted by the Capper bill. The Snell-McCormick bill is too vague in its provisions to give basis for any definite forecast as to just what developments might follow its enactment. Why shouldn't it be better to wait at least another year or so before enacting any forestry laws, in the meanwhile conducting a study into the needs of the situation..." (Southern Lumberman, Jan. 14.)

International Financing

Business organizations in the more than twenty countries holding membership in the International Chamber of Commerce have been asked to express their opinions on the acceptability of the so-called ter Meulen plan for international credits, according to a press statement, January 17, of the Chamber of Commerce of the United States, which outlines the scheme.

Meat and Milk Strikes

The New York Times to-day says in an editorial: "The meat strike has now gone the way of the milk strike, reinforcing the lesson that those unions fare ill which surrender intelligent self-government into the hands of power-loving, revolutionary leaders."

Prices

"There is good reason to believe that present prices for farm products are about the lowest that will be seen. The last two seasons have been unusually favorable for the grain crops. The carry-over of wheat certainly will not be large and the growing crop has a poor start. It would be remarkable to have another bumper corn yield after three great crops, and there is reason to believe that less corn will be planted this year. Moreover, it is likely that the hog crop will be increased. During the years when corn brought high prices, it became the popular thing to sell corn and a good many farmers got out of hogs. They are likely to get back to a more evenly balanced agriculture, with more milch cows, more pigs, more grass and forage crops and more scientific culture." (N. Y. National City Bank January letter.)

Tariff on Oil

"The Cottonseed Crushers' Association selfishly seeks to prevent the imposition of a tariff on vegetable oils, disregarding entirely the welfare of the cottonseed producers of the South. Once more an effort is being made to sacrifice the farmers of this section and to throw wide open the gates to the importation of the vegetable oils and oil-producing seeds of the Orient, that labor working on the basis of three to five cents a day may be able to crush the labor of the southern farmer! (Manufacturers Record, Jan. 12.)

Tariff Legislation

"The tariff bill as it passed the House last summer provided for levying the tariff on the basis of American valuations. By the American valuation device, a 20 per cent tariff would be about as high as a 40 per cent tariff under the old method of valuation. The worst criticism of the American valuation scheme is that it makes possible in the case of commodities which are produced in rather small amounts in the United States to set a monopoly price. The more farmers have looked into this scheme, the more they have become convinced that it will help them very little, while at the same time it enables certain manufacturers to set a monopoly price on their products. The Fordney tariff bill should be sent back to the House with the American valuation scheme taken out of it." (Wallaces' Farmer, Jan. 13.)

Section 3.

Department of Agriculture

1. "Secretary Henry C. Wallace, of the Department of Agriculture, in his report to the President makes the suggestion that Congress empower him to form a Bureau of Agricultural Economics, into which, he believes, should be merged the present Bureau of Markets and Crop Estimates and Office of Farm Management. Preparation for such action has been in progress for some time and it is probable that the National Legislature will grant the necessary permission. The proposal appears to be in the interests of more unity of purpose and better organization, and, if the proposed consolidated bureau avoids a reasonable proportion of the mistakes made by so many bureaus that merely succeed in being bureaucratic, it will doubtless deserve and obtain the respect of the country." (Implement and Tractor Trade Journal, Jan. 7.)

2. In a review of Secretary Wallace's annual report, Western Farmer for January 1 says: "It is gratifying to note the spirit of optimism expressed in Mr. Wallace's discussion of American agriculture, despite conditions. We believe with him that the worst period is over and the one thing to do is to put faith to the front and for all farm organizations to pull together for a square deal for agriculture along with other industries of the country."

3. "National or State Stockyards Control?" is the title of an editorial in The (St. Paul) Farmer for January 14, which says in part: "The controversy as to State or Federal control, or both, has resulted in much confusion. A committee is to appear before the Secretary of Agriculture to present the merits of the plan of retaining the good features of State revision. To our way of thinking, there is no good reason why some sort of cooperative supervision, whereby the State can assist the Federal authorities in stockyards supervision, should not be arranged. Naturally, the Secretary of Agriculture can enforce the law only from the standpoint of National welfare, but this does not necessarily mean the doing away with all relations with State authorities. A cooperative plan of work whereby the National Government enforces the law, assisted by State authorities, would be an ideal arrangement. The Federal law provides for such cooperation."

4. "Although the Department of Agriculture has not asked for an appropriation for congressional free seeds we are not at all hopeful that this practice will be discontinued...The department has gone on record against free seeds before, without gaining its point, for Congress has always insisted on this perquisite as being necessary for its official welfare. We are naturally opposed to free seeds, not only because it is harmful to the seed industry but because it accomplishes no real good. However, anything that the Seed World or the seed trade might say would be classed as prejudiced testimony and would not be recognized by Congress. Sometime the farmers and gardeners will unite their voices and urge that this wasteful practice be discontinued." (The Seed World, Jan. 6.)

Section 4.

MARKET QUOTATIONS

Farm Products

Products

Jan. 16: Chicago wheat trade narrow. Market lower early, but rallied toward last. Chicago May wheat unchanged at $1.11½; Chicago May corn higher at 53¢. Visible supply wheat 46,398,000 bushels, a decrease of 1,441,000 bushels for week. Visible supply corn 24,259,000 bushels, a decrease of 528,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.18; No. 2 hard winter wheat $1.14; No. 2 mixed corn 49¢; No. 3 white oats 34¢. Average price to farmers in central Iowa for No. 2 mixed corn 35½; to farmers in central North Dakota for No. 1 dark northern wheat $1.08; to farmers in central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market lower, bulk of sales $7.30 to $7.60. Beef steers and fat cows and heifers slow, mostly 25¢ lower: Medium and good beef steers $6.75 to $9.25; butcher cows and heifers $3.50 to $8. Fat lambs down 15¢ to 25¢ at $11.50 to $12.85.

Potato markets slightly weaker; demand limited. New York sacked Round Whites firm f.o.b. at $2 per 100 lbs. Maine Green Mountains up 5¢ at $1.71 to $1.81 per 100 bls. bulk. Maine Baldwin apples from cold storage $7 to $8 per bbl. New York Danish type cabbage nearly steady f.o.b. at $40 per ton bulk.

Hay movement generally light except at Kansas City. Demand at eastern markets good at firm prices, but limited to better grades. Feed demand limited. Mills offering wheatfeed more liberally. February and March quotations about $1 below prices for prompt shipment.

Butter markets barely steady. Receipts continue heavy; some fine butter being offered at low prices. Cheese markets continue steady.

Spot cotton down 29 points at 17.07¢ per lb. New York January futures down 34 points at 17.66 ¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials & Railroads

Jan. 16: Average closing price 20 industrials 81.36, as compared with 75.21 corresponding day 1921; average closing price 20 railroad stocks 75.76, as compared with 76.71. (Wall St. Jour., Jan. 17.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 14. Section 1. January 18, 1922.

Genoa Invitation Received

A formal invitation to the United States Government to participate in the proposed international financial and economic conference at Genoa on March 8 was received January 17 by the Secretary of State from the Italian Ambassador, and was placed by him before President Harding. (Press, Jan. 18.)

Reserve Board Legislation

The first step to bring about farmer representation on the Federal Reserve Board was taken by the Senate late yesterday in the passage of the Kellogg-Smith compromise bill increasing the board's appointive membership from five to six and providing that the agricultural interests shall have a spokesman among them.

By the bill, which constitutes an amendment to the Federal reserve act, the limited designation of the present law is wiped out and instead of the specific provision for the naming of two bankers to the board, the statute, if agreed to by the House, will direct the President in making appointments to have "due regard to a fair representation of the financial, agricultural, industrial and commercial interests and geographical divisions of the country." The measure also provides that hereafter no Federal reserve bank may enter into a contract for banking homes if their cost is to exceed $250,000 unless the consent of Congress is first given. (Assoc. Press, Jan. 18.)

Reserve Board Legislation Criticized

"The Bloc Wins" is the title of an editorial in The New York Times to-day, which says in part: "The President is giving way, yielding where he should stand firm. It is no sufficient excuse that he hopes to hold the Republican party together thereby...The common protection, the interest of all, is above the concern of any party. Particularly must the general interest be defended against those who come armed and marshaled in ignorance to assail it, and to assail it in a way that threatens the safety of all. That is precisely what is happening in the raid of the farmers' bloc upon the Federal Reserve Board. It is a dangerous assault, for they demand the specific recognition of class interest in an administrative body that is made up with great care to represent and consider all interests. This is the very thing foretold when power was given to Congress to legislate concerning the affairs of the Reserve Board and the Bank--that politics would inevitably worm its

way into the organization. This is worse than party politics, for it means the possible introduction of an element that, given a sufficiently aggressive group in Congress and a President ready to yield anything to save himself trouble, might subvert the entire Reserve system."

Agricultural Conference Comment

In its weekly news for January 12, American Farm Bureau Federation presents an outline of suggestions for the agricultural conference. This states that for the relief of the farmers' financial situation the farm bureau will follow the general plan that it has been urging through the Senate agricultural bloc and before the Congressional Joint Commission of Agricultural Inquiry for the past few months. This plan includes long-time credits, commodity financing based upon warehouse receipts, personal rural credits secured by proper insurance features and the creation of machinery that will allow cooperative systems to obtain money directly. For transportation relief the bureau will present to the conference the transportation policy adopted at the annual meeting. It is expected that the bureau will urge the development of the Muscle Shoals nitrate water-power project... Upon the question of foreign finance the delegates from the federation will bring the full force of a resolution adopted at Atlanta, in which it was urged upon Congress that it enact without delay the export grain feature of the "farmers' relief bill," providing that the War Finance Corporation be empowered to make advances to foreign purchasers of our surplus agricultural products... The value of the Department of Agriculture to the farmers of America is fully recognized by the farm bureau. The attitude of the bureau is expressed in a further resolution adopted at Atlanta which insists that the present effectiveness of the service of the Department of Agriculture must be expanded, not lessened. This contemplates the extension of statistical work and the sending of agricultural attaches to foreign countries. The State farm bureau presidents will be particularly active in urging the development of farm-to-market roads. Among the definite points that will be urged by the farm bureau delegates to the agricultural conference will be the condemnation of the Pittsburgh Plus principle which adds a fictitious freight rate to the price of steel; the necessity for the enactment of truth-in-fabric legislation; the need for a law preventing the manufacture and sale of filled milk; the adoption of uniform and standard grades of agricultural products and similar proposals aimed at the immediate relief of American agriculture.

"Primarily the conference has political significance, for it will permit the administration to deal directly with agricultural questions, thus drawing the teeth of the agricultural bloc, which has become a thorn in the flesh of the administration through its obstructionist program...For all its main purpose, the conference promises to be important as it will be representative and may lead to constructive legislation...If the conference were less comprehensive in scope there might be a menace for the grain trade, as the obvious tendency would be for the administration to outdo the bloc in radical agricultural policies. As it is planned, however, the effort will be toward establishing principles rather than specific reforms, and the conference will have its hands full." (American Elevator and Grain Trade, Jan. 15.)

Implement and Tractor Trade Journal for January 14 contains an extensive "Open letter to Secretary Wallace" from M. J. Healey, vice president and general manager of the John Dere Plow Co., of Kansas City, "in response to Secretary Wallace's request for suggestions that will aid in the deliberations of the national conference..." The letter says in part,

after a lengthy review of the implement industry: "The farmers in all parts of this country have a biding confidence in you and the present administration and they are depending upon the administration to do everything within its power to help them out of this unfortunate situation. They are not looking for quack remedies; they do not want to be subsidized, but they do want to be given the same consideration as people engaged in industries of less importance..."

Section 2.

Agricultural Bloc

1. An editorial on "The Agricultural Bloc" in Western Farm Life for January 1 says: "As a matter of fact, it is a development that favors the people, because the grouping of legislators along economic instead of party lines is a healthful indication. It shows that down at Washington there is a realization of the fact that agriculture must receive the consideration that the basic industry deserves. Senators and representatives who meet informally to discuss legislation and who at times act in concert setting aside party lines, are seldom mistaken about any measure they may favor, because they work in the open. The bloc system, if it is a system, has something to recommend it over the old method of taking orders from an invisible boss."

2. "...The amazing part of this modern business drama is that although big business and political interests are fully cognizant of what is taking place they are opposing every worthwhile effort to apply the necessary remedies. The partisan press and staid commercial journals admit in a chorus that agriculture is in a bad way and that all other business suffers accordingly, but when it is proposed to adopt legislative measures which will at least alleviate the condition, they hold up their hands in holy horror. It is no uncommon thing to pick up an ultra-conservative journal and read in one column an editorial deploring the plight of the farmer, and in another a diatribe against the agricultural bloc and legislative relief measures...What has been proposed by way of legislation to help the farmer are perfectly logical and effectual palliatives the use of which will in no wise endanger the interests of other people..." (Michigan Business Farmer, Jan. 14.)

American Farm Bureau Federation

. The Price Current-Grain Reporter for January 11 says in an editorial: "Some of our correspondents have recently said that there are many local desertions from the Farm Bureaus. In view of the scarcity of cash on the farms this is not at all surprising. But there is also the disposition of farmers,... to ask the question...: What is the bureau doing for the money it spends? That there has been a large loss in membership in the past year by the bureau is shown by the report on membership of Executive Secretary Coverdale made at the Atlanta meeting in November last, and the figures are quite at variance with the statement of President Howard on Jan. 5, 1921, that the A.F.B.F. then had a 'paid-up' membership 'exceeding 1,500,000 active farmers.' If President Howard were then correctly informed,

there was a tremendous loss of members in 1921, since Secretary Coverdale at Atlanta reported only 521,703 'paid-up' members at that date as against a statement by him of 744,400 on Dec. 1, 1920...It will be seen, therefore, that the influence of the A.F.B.F. in Washington has been out of all proportion to its membership (normal and actual) as compared with the active adult male population of the farms and out of proportion also to its actual membership status which in the past year has clearly been one of retrogression and not of progression, as shown by its own official records."

Agricultural Financing

1. "Loaning Direct to the Farmer" is the title of an editorial in Commercial and Financial Chronicle for January 14, which says: "The Federal Farm Loan Board is asking that loans be made direct to the farmer. This is the last straw. But even if it succeeds in breaking the back of the 'agricultural bloc' and dispelling its halo, the price paid will be too high. Now we are personally apprised of conditions in the Middle West. 'Money is tight, and times are hard.' There is no earthly doubt of this. A banker writes: 'I think three-fourths of the loans we have made the past two weeks (date of Jan. 3, 1922) have been to help pay taxes.' It is deplorable that such stringency and dearth should exist. But can it be cured? And how did it come about? The weight of world-pressure fell upon the prices of farm products and drove them down, down!...Here is the question--if this form of Land Bank (Joint Stock Land Bank) can not sufficiently supply the farmer overlooked by the Federal Land Bank, is it because he is not a good risk, or is it because the Government is not really instituted to relieve the farmers en masse? Think of the proposition--the Federal Government going over the country inspecting farms and farmers, and providing for every man who neglected to join the local association--Federal Land Bank--or who has been passed by the Joint Stock Land Banks, now selling their bonds by the millions--with no legal limit as far as we know upon their number. And after this welter of credit is extended--the farmer continues to pay high prices at the buying end and stabilizes them by assenting to and adopting policies said to be good for the factory, but which are utterly worthless to the farm! To our mind, the farmer is in the way of destroying his natural credit power, and it is the best credit-power in the world!"

2. In an editorial entitled "The Implement Dealer and the War Finance Corporation Funds," Farm Implement News for January 12 says: "The fact is that the funds of the War Finance Corporation are not going out to the men for whom these funds were intended in anything like the volume one had reason to expect. And it is because so many bankers are not taking advantage of the facilities thus afforded for financing the farmers of their respective communities."

Boll Weevil Effects

"Is the Weevil a Friend?" is the title of an editorial in The Wall Street Journal, January 17, which says in part: "The Wall Street Journal has been warning the country of the danger to the cotton industry, and a Dallas friend writes the following criticism: 'Some farmers think the weevil is their best friend, since he picks his own cotton and pays his own freight.'...Did the weevils or the farmers pay the freight? Go into the fields of industry for a parallel case of 'paying the freight.' Workingmen have been known to claim they were benefited by disasters. The efforts to restrict individual energy and limit output are founded upon this fallacy...The property destruction of the war amounts to many billions of dollars and an enormous amount of labor will be required to replace it, but has anyone yet seen any world-wide gain coming from it? All prosperity is founded, not upon scarcity, but upon the abundance of consumable goods. Therefore, wherever money or labor is spent in replacing loss by destruction or by limitation of output greater prosperity would have ensued through its use in the channels of production. The weevil is but an agency of destruction; whatever he destroys must ultimately be paid for by the farmers themselves. They are the ones who must 'pay the freight.'"

Corn Acreage Reduction

"Notwithstanding the fact that the campaign waged last year to reduce the cotton acreage is considered a success, we do not know whether or not a campaign to reduce the corn acreage simply for the purpose of increasing the price is the right thing to do, and if it is the right thing, there still remains the problem of securing action in an organized way. However, we do know that the advocating of a better system of farming is always proper. Both dealers and manufacturers can get behind such a campaign. Men who are close students of our agricultural problems are generally agreed that the corn-belt farmers should grow more legumes and perhaps diversify in other directions as well...It is not a simple problem to reduce the acreage of our most important crop." (Farm Implement News, Jan. 12.)

Section 3.

Department of Agriculture

"The West is vitally interested in keeping the Forest Service under the jurisdiction of the Department of Agriculture, because preservation of our forests, reforestation and watershed protection are solely and exclusively agricultural problems. This is so evident that one might wonder why anyone should even suggest a change, yet there is open and active propaganda on the part of the Secretary of the Interior to assume control of the Forest Service by moving it bodily over to Department of Interior... Leaving out of consideration all political phases of the question and looking at it only from the farmers' angle, we fail to see how Congress can follow Secretary Fall's suggestions. If timber is not an agricultural resource, what is it? If the water supply of the western half of the Continent is not an agricultural resource--the lifeblood of farming--what is it? And if the Department of

Agriculture is not created for the supervision and administration of agricultural resources what excuse has it for existence? We hope Congress will be kind to the Department of the Interior and give Secretary Fall all the help he may need to make his administration of public lands a success. There is plenty to do in that line without seeking to infringe upon the rights and duties of other branches of Government." (Western Farm Life, Jan. 1.)

Section 4.

MARKET QUOTATIONS

Farm Products

Jan. 17: Chicago wheat market nervous and unsettled within 1¢ range. Milling demand slow. Argentina offering wheat c.i.f. Europe about 5¢ under American hard winters via Gulf. Chicago May wheat higher at $1.12; Chicago May corn unchanged at 53¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.20; No. 2 hard winter wheat $1.10; No. 2 mixed corn 48¢; No. 3 white oats 34¢. Average price to farmers in central Iowa for No. 2 mixed corn about 35½¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.07½; to farmers in central Kansas for No. 2 hard winter wheat 96¢.

Chicago hog market higher, bulk of sales $7.75 to $8.25. Beef steers mostly 15¢ to 25¢ higher, medium and good beef steers $6.75 to $9.25; butcher cows and heifers $3.50 to $8. Veal calves mostly 25¢ higher; light and medium weight veal calves $6.50 to $9.50. Killing classes sheep and lambs strong to 25¢ higher; fat lambs $11.75 to $13.

Potato markets nearly steady. New York Round Whites firm at $1.98 to $2.02 per 100 lbs. sacked at shipping points. Maine Green Mountains, in bulk, weak f.o.b. at $1.71 to $1.76. New York Danish type cabbage down $3 f.o.b. at $37 to $40 per ton bulk. New Jersey sweet potatoes steady at $2 to $2.25 per bushel hamper in New York and Pittsburgh. Maryland and Delaware stock $1.60 to $1.90 in Eastern cities.

Spot cotton down 4 points at 17.03¢ per lb. New York January futures up 7 points at 17.73¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 17: Average closing price 20 industrials 81.90, as compared with 75.40 corresponding day 1921; average closing price 20 railroad stocks 76.56, as compared with 76.40. (Wall St. Jour., Jan. 18.)

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Vol. IV, no. 15, 1922. Section 1. January 19, 1922.

Crop Insurance Bureau

Under the terms of a resolution offered January 18 by Senator Sheppard, the Committee on Agriculture would be instructed to investigate and report on the practicability and advisability of a bureau of crop insurance to be operated by the Federal Government. (Press, Jan. 19.)

Tariff Legislation

Republican members of the Senate Finance Committee decided, January 18, to call into conference Republican members of the Ways and Means Committee with a view to reaching an accord on the basic principles which are to underlie the whole new tariff structure. (Press, Jan. 19.)

Hides on Free List

Inclusion of hides on the free tariff list was asked of the Senate Finance Committee in a resolution adopted by the National Boot and Shoe Manufacturers' Association, at the closing session of its annual convention in New York, January 18. (Press, Jan. 19.)

International Finance

A bank of nations, with the United States as majority stockholder, an international trade 'dollar' as a substitute for gold, and conduct of world business on a credit instead of a cash basis, were advocated by Senator Hitchcock, in an address before the American Manufacturers' Export Association, in New York, January 18. Senator Hitchcock discussed the bill which he has introduced in the Senate providing for establishing such a bank of nations, with $2,400,000,000 capital. The United States, he said, would hold $1,300,000,000 of the stock, and bankers, importers and exporters of this country another $200,000,000, leaving the remaining $900,000,000 to be purchased by the leading nations of the world through the President. (Press, Jan. 19.)

Packer Losses

Armour & Co., for the year ended October 29, 1921, reports a net loss of $31,709,817 after charges and taxes. This compares with net profits of $5,319,975 in the previous fiscal year. The loss was reported on a total business turnover of approximately $600,000,000, while the total for 1920 was $900,000,000. (Press, Jan. 19.)

Farmer for Reserve Board

The New York Times to-day says: "At the moment when House members of the agricultural bloc were congratulating themselves, January 18, over the passage by the Senate of the bill adding a member to the Federal Reserve Board, who by agreement of President Harding will be a farmer, plans were being made by other members of the House for a vigorous fight against the bill on this very ground. The struggle will begin as soon as the bill reaches the House Committee on Banking and Currency, January 19, and Representative McFadden, chairman of the committee, will be one of the leaders."

Upon the subject of a farmer on the Federal Reserve Board, an editorial in to-day's Washington Post says: "There can be no serious objection, and there is none, to the form in which the Senate passed the amendment to the Federal Reserve Act contemplating the appointment of a farmer as a member of the Federal Reserve Board. It is not mandatory in its terms, but merely provides that in selecting members of the board the President shall have due regard to a fair representation of the 'agricultural' as well as to the 'financial , industrial and commercial interests' and to the geographical divisions of the country...In view of the fact that the amendment has passed the Senate in such form as meets the approval of the President and an overwhelming majority of senators, it should have clear sailing in the House. There is no disposition to debar the great and important industry of agriculture from recognition in considering the qualifications of members of the Federal Reserve Board."

Upon the same subject, The Journal of Commerce for January 18 says: "In passing the 'dirt farmer bank bill' whereby agricultural membership on the Reserve Board will be assured, the Senate has hardly improved the measure. There is a slight concession to decency--a little more respect on the surface for the President--but that is all. This is dearly paid for by the promise said to have been entered into by the Executive for the appointment of a 'genuine farmer' on the board. Well may Senator Norris declare that the farmer is being 'fooled' again, and that the remedy for the ills found in the creation for another political 'job' will fail to hlep him."

Packer Employees' Strike

The press of January 18 states that services of the Government will be formally tendered again in an effort to bring about an arbitration of the packers' strike now being conducted in the larger midwestern centers of the meat-packing industry, it was decided at a conference of Cabinet members and congressmen. The previous offer of the Government mediation was refused by the packing companies on the ground that the strike was not effective. The conference, which involved Secretaries Wallace, Hoover, and Davis, was arranged at the request of a special committee appointed by members of Congress from the Middle West, who asked that the Government's effort to settle the strike be renewed.

A Chicago dispatch to the press of to-day states that Chicago packers indicated yesterday that they would decline the Government's offer to mediate in the packing house strike.

Agricultural Conference Comment

Commerce and Finance, January 18, says: "The Farm Conference called by Secretary of Agriculture Wallace to meet at Washington on January 23 has some exceedingly knotty questions to solve before it can point the way to extricating the farmer from his present economic plight. In its review of the European

business situation and its relation to conditions here, it must, if it cover the ground thoroughly, consider international trade barriers as they affect the interests of buyers as well as sellers. As it reviews international exchange it must consider money, its nature, qualities and variable values. The handicaps imposed on the farmer partly by the nature of his business, partly by the failure of our business laws and customs to make proper allowance therefor, must also be considered."

Section 2.

Agricultural Bloc

Farm and Dairy, Peterboro, Ont., (Canada) in its issue for January 12, presents the following account of the agricultural bloc in the Congress of the United States: "... This 'agricultural bloc' is the result of exactly the same conditions that gave rise to the Farmer's Movement in Canada--the shaping of all legislation to aid in the development and expansion of urban industry, frequently at the expense of the farmer. The actual formation of the bloc was the result of the difficult conditions that followed the war. The collapse of the cotton market utterly demoralized the agricultural South, while the collapse of wheat and corn was almost equally disadvantageous to the agricultural West. The farmers, newly organized in the Farm Bureau movement, demanded that their representatives to the Congress get busy on their behalf, and a new force was born in United States politics. In the main, the legislation introduced by the 'agricultural bloc' has been sane and reasonable."

Business Men and Farmers

The Montana Farmer, January 15, says in an editorial: "The unfortunate thing about the attempt on the part of the business men of the country to help the farmers in their predicament is that they continue to dodge the farmers' marketing problem, the high interest problem, the short credit problem and the others with which the farmer is least able to cope and devote their energy to the production problem, the one with which the farmer is best fitted to deal. Whole-hearted, broad-minded cooperation is what the farmers of the country need from the men in the city. There has been enough of the sort of cooperation that encourages the farmer to produce more with one hand and levels a blow at the land banks or the farmers' cooperative organizations with the other. The Montana Farmer does not hesitate to predict with all confidence that the time is not far distant when the business men will see the benefit to themselves of successful farmers' cooperative marketing organizations, the Federal Farm Loan system and other agencies that have come into being not because of the whim of some agitator but as the result of an economic situation that demanded relief. When millions of independent farmers band themselves into unions, societies and farm bureaus there is bound to be a just and sufficient cause back of it all."

Crop Reduction

1. "Cutting Down Production" is the title of an editorial in The Southern Cultivator for January 15, which says: "The farmers have been continually urged and encouraged to increase production. This may have been good advice in normal times, but is against our best interests now. In cases of emergency the engineer puts on the brakes. Whenever the demand will not pay expenses, the mill-man shuts down the factory. It is only we poor farmers who go on and produce just the same for a loss as we do for a profit. It is high time for the farmers to do some clear thinking in regard to the more efficient management of their business...The truth of the matter is, the farmers may not have produced more than the world needs, but they have certainly produced more of every food and clothing product than the demand will take at even the cost of production not to say at a profit."

2. "If those who advocate a 20 per cent reduction in the corn acreage throughout the corn-belt States would devise ways and means of enlarging the demand for our surplus corn in foreign countries, they would accomplish infinitely morethan by cutting down production...One of the greatest fields for the American farmer in connection with his marketing problems lies in finding new outlets for the products he has to sell...The trouble with the farmer is that he has never paid any attention to selling his products, even at home. The potential market for corn in Europe is immense--so great that if it were cultivated we could sell twice our present surplus every year." (The Iowa Homestead, Jan. 12.)

Grain Marketing

1. A program of work for the U. S. Grain Growers, Inc., in 1922, suggested by C. H. Gustafson, president, includes three important projects: 1. The establishment of sales facilities in the terminal markets where membership have sufficient bushelage under contract; 2. extension of our membership campaign so as to give every grain grower in the country an opportunity to become a member of the U. S. Grain Growers; 3. to strengthen the position of local farmers' elevators and to further harmonize and weld into a solid whole the efforts of all existing farmers' grain-marketing organizations. (U.S.G.R. press statement, Jan. 16.)

2. Solicitation for membership in the U. S. Grain Growers last week was featured by a drive on elevator affiliations with the national agency with the result that 46 agreements were executed and a great deal of new territory opened for securing grower members. Even with less attention on individual grower contracts, a total of 1,065 members were secured during the six-day period. At the close of the week, membership totals stood at 37,611 growers and 912 farmers' elevators and grain growers' associations. (U. S. G. R. press statement, Jan. 16.)

Live-Stock Loans

The Wall Street Journal, January 18, says in an editorial: "Some months ago the banks of the Southwest held live-stock loans estimated at from $400,000,000 to $500,000,000. The situation was comparable to that in the South when banks were loaded with

cotton paper which could not be liquidated. To-day, the situation is reversed; good feeling takes the place of gloom because borrowers are meeting their maturities...The Southwest, and in fact the whole West, is carrying large quantities of feedstuffs and other products. Any improvement in the live-stock market must be felt not only in those other markets, but in the entire banking and business situation."

Tariff Legislation

The Journal of Commerce, January 18, says in an editorial: "In tentatively determining to use general wholesale prices as the basis for levying duties, the Senate Finance Committee has once more reversed itself. 'American valuation' of articles imported was the basis adopted in the original Fordney bill, and this measure of value for the imposition of duties was accepted in the early deliberations of the Finance Committee. Now a substitute scheme, said to grow out of the work of the special investigators who looked over the field, is put forward. It is the adoption of the wholesale price of similar articles (not of the same or an identical article)...It is regrettable thus to start with a new and improved plan which from the very outset is admitted to be impracticable and unsuited to actual conditions...Whether the tariff which is now taking so alarming a shape can be successfully resisted on the floor is an exceedingly questionable matter..."

Section 3.

Department of Agriculture

1. The Grain Dealers Journal, January 10, says in an editorial: "The brief filed to-day in the Supreme Court at Washington by the Federal Department of Justice is heralded by the press dispatches as upholding the Act; but the trade should not be disturbed by this alleged support of the law by the Department of Justice. The department is in duty bound to uphold any law, however unjust and unconstitutional it may be. The case against this Act is not being fairly presented, as the litigants in the three-cornered fight are representing every interest except that of the public. No one is there to put forward the truth that it is an unconstitutional perversion of our Government to prohibit by an alleged tax two individuals from contracting for the sale of grain for future delivery elsewhere than on a grain exchange, duly licensed. A transaction for future delivery on the Baltimore Chamber of Commerce is perfectly legitimate as a matter of fact, but owing to the fact, also, that the Chamber of Commerce has not been licensed, sales for future delivery on that exchange are, forsooth, subject to the prohibitive tax of 20 cents per bushel. How ridiculous! Unfortunately for the public interest, the Baltimore Chamber of Commerce has since made application for license so that there will be no test case of the right of the Secretary of Agriculture to tax trades on a legitimate exchange 20 cents per bushel. The farm bureau is supporting the law because it gives rebaters of commissions admission to the exchange; the exchanges are not opposing the law because it exempts future trades from the tax and the Department of Agriculture is welcoming the opportunity of going over the records of trades

in futures to accumulate a mass of data that can be perverted in characteristic Federal Trade Commission style to prove anything the socialistic element desires to demonstrate as the basis for new restrictive legislation."

Section 4.

MARKET QUOTATIONS

Farm Products

Jan. 18: Chicago wheat market firm on strength in cash markets, continued dry weather in Southwest, reports of green bugs in Texas, and firmness in foreign markets. Corn trade limited. Country offerings to arrive less liberal; consignments lighter. Chicago May wheat higher at $1.12 3/8; Chicago May corn higher at 53¼¢. Closing prices in Chicago cash markets: No. 2 red winter wheat $1.20; No. 2 hard winter wheat $1.10; No. 2 mixed corn 49¢; No. 3 white oats 34¢. Average price to farmers in central Iowa for No. 2 mixed corn about 36¢; to farmers in central North Dakota for No. 1 dark northern wheat $1.08¾; to farmers in central Kansas for No. 2 hard winter wheat 96¢.

Chicago hog market steady, bulk of sales $7.75 to $8.25. Beef steers uneven, better grades steady and strong, other grades lower, medium and good beef steers $6.75 to $9.25. Butcher cows and heifers steady to 15¢ lower at $3.50 to $8. Fat lambs strong to 10¢ higher at $11.75 to $13.10.

Potato markets steady; demand limited. New York sacked Round Whites steady f.o.b. at $1.98 to $2.02 per 100 lbs. Maine Green Mountains in bulk steady at $1.71 to $1.76 Maine Baldwin apples No. 1 from cold storage steady in Boston at $7 to $8 per bbl. New York Baldwins A 2½ steady f.o.b. at $7.

Hay receipts larger, but without corresponding increase in demand, and market is weak. Prices fairly steady in East; lower in central West. Feed markets quiet. Another reduction of $2 per ton in gluten feed announced yesterday.

Butter markets weak with trade lacking confidence. Cheese markets continue steady.

Spot cotton up 1 point at 17.04¢ per lb. New York January futures down 7 points at 17.66¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 18: Average closing price 20 industrials 82.33, as compared with 76.76 corresponding day 1921; average closing price 20 railroad stocks 76.58, compared with 76.45. (Wall St. Jour., Jan. 19.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 16, 1922. Section 1. January 20, 1922.

Freight Rates on Farm Products

Under the terms of a resolution offered January 19 by Senator Trammell, the Interstate Commerce Committee would be instructed to investigate the present high cost of express rates on citrus fruits, vegetables and perishable farm products and recommend legislation designed to bring about lower transportation charges. (Press, Jan. 20.)

The Valuation Plan

The National Wholesale Dry Goods Association, at the close of its eighteenth convention, at New York, January 19, adopted a resolution for submission to the Senate Finance Committee, protesting against the proposed American valuation plan. (Press, Jan. 20.)

Prices

The general level of wholesale prices remained stationary through November and December, the Bureau of Labor Statistics of the Department of Labor announced January 19. The bureau's weighted index number, with the 1913 price level denoted by 100, stood at 149 in these two months, with the prices of 327 commodities considered. Foodstuffs, farm products, cloths, clothing, chemicals and drugs showed a declining tendency, most pronounced in such articles as cattle, hay, hops, peanuts, butter, cheese, eggs, lard, lemons, oranges and sugar. Metals and housefurnishing goods were listed as unchanged, while fuel prices showed a slight increase and building materials advanced 3 per cent in December over the November level. (Press, Jan. 20.)

Farmer for Reserve Board

The New York Times to-day says in an editorial: "No intelligent Republican contends that the change made by his party in the Federal Reserve Board is good banking. But many Republicans in Washington maintain that it was good politics. They point to the danger of alienating the Middle West. ... In actual fact, there is no mistaking the disquietude and the chill which have been caused by the President's surrender to the bloc. Men are asking anxiously how far this is to go. The 'farmer' Senators, flushed with victory, have a lot more bills in a class interest which they are going to press. Are these also to be acquiesced in on the ground that they will make votes?"

Upon the same subject, an editorial in Wall Street Journal for January 19 says: "On the face of it, the measure to put the farmer on the Federal Reserve Board is professedly a remedy for the farmers' ills. ... Congress has been asked to consider about thirty of these crackbrain remedies for agricultural ills by the creation of more political jobs. Every one looks promising in the bud and blossom,

but 'fooled again' is the only fruit that can be produced from such a tree. ... No class or section can permanently prosper except through the general welfare. Whenever farmers listen to proposals to secure advantages to them as a class alone they are only yielding themselves up like sacrificial oxen, to be 'fooled again.'"

In a lengthy editorial on the subject of the Federal Reserve Board, New York Commercial for January 19 says: "It would be interesting to know if Senator Smith of South Carolina, who is most insistent upon the appointment of a 'dirt' farmer to the board, has ever read the Federal Reserve law or whether he has even made himself conversant with the figures of postwar operation. Those who do study facts and figures, if they are sincere, soon cease their criticism. ... The Senate's proposition is to increase the number of members of the board so that a farmer can be added to it without displacing any of the present members, also to eliminate the present requirements that at least two members of the board shall be bankers. Is the Senate of the United States thus to give way to prejudice? The idea is that if a farmer is not to be named specifically in the law then bankers must not, even though it is a banking law! Does the Senate mean that it would rather trust a farmer to administer the Federal Reserve law than it would a banker? ... "

Section 2.

Agricultural Bloc

"Now the agricultural bloc is going to get its turn in the limelight. It's about the first time the farmer ever had a chance in a large legislative way, and no sooner does he begin to accomplish something in the matter of legislation, especially legislation which gives him a fighting chance, than all the country holds up its hands in horror because of class legislation. ... There has certainly been no injustice done by anything accomplished by the bloc so far." (California Cultivator, Jan. 14.)

Agricultural Financing

The War Finance Corporation announces that, from January 16, to January 18, 1922, inclusive, it approved 177 advances, aggregating $5,938,000, for agricultural and live-stock purposes in the West and South. (W.F.C. press statement, Jan. 20.)

Agriculture in the "Literary" Magazines

"Light Breaks in Washington" is the title of an editorial in Pacific Rural Press for January 14, which says in part: "It is a very significant fact that such agricultural writing as Mr. Baruch's should appear in the old-time literary magazine. ... It is significant because not many years ago such writing could only find entrance to agricultural publications. The 'literary' magazines first took agricultural science in small doses; then they began taking agricultural practice (much of it wonderfully pumpkin-colored); now they do not consider their 'contents' complete without lots of agricultural economics and they are becoming keen for agricultural politics! Surely the world is moving farm-ward; the farmer is making a deep chuck-hole in the highway of the public mind and 'literary fellers' must fill it or burst their tires. ..."

Cotton Marketing

Reports of remarkable progress were made at the convention of the Texas Farm Bureau Federation, according to a dispatch from Dallas to press of January 19. President Orr said that 145 Texas counties now have bureaus affiliated with the State body and there is an individual membership roll of 40,000 representing more than 500,000 bales of cotton the past year.

Foreign Trade

"The Farmer and our Foreign Trade" is the title of an editorial, in The Journal of Commerce for January 19, based upon figures presented in the report of the Joint Commission of Agricultural Inquiry, which says in part: "It is clear from these data that the farmer is or should be vitally interested in foreign trade, and, furthermore, that his interests as a producer would be far better served by encouraging exports than by impeding imports. Only in a very few instances do we import farm products in any comparatively important quantities. It would be a very grave mistake to suppose that even as a producer the farmer has no particular interest in our import trade generally. It is only upon a thriving import business that a prosperous and vigorous export trade can be built and maintained. As consumers, it should be obvious, the rural population is fundamentally interested in getting supplies of all sorts at the lowest figures regardless of where they come from. Those who claim that an excessive tariff would 'aid' the farmer have a hard case to prove."

Living Costs in Britain

A London dispatch to the press of January 19 states that official statistics show that the cost of living fell 7 per cent during the month of December. At the end of 1921 the figures were the lowest since March, 1918, but were 92 per cent above the figures of 1914.

Potash Tariff

In an article advocating a tariff on potash, Manufacturers Record for January 19 says: "If the arguments advanced by the National Fertilizer Association as to why there should be no tariff on the materials used in the manufacture of fertilizer should be carried to their logical conclusion there would be no tariff on anything. ... The potash industry has been one of the most promising of the new industries of the country. Its development is essential to saving us from dependence upon foreign potash in time of war as well as in time of peace. ... And while the fertilizer people of America are willing to bind themselves body and soul to a disgraceful contract with the German Potash Syndicate -- a contract which should put the blush of shame on the cheek of every man who signed it -- we may rest assured that selfishness has not been eliminated from mankind."

Tariff Legislation

1. At a special meeting of the tariff committee of the Chicago Association of Commerce, called January 17 for consideration of the Smoot amendments offered to the American valuation plan in the Fordney tariff bill, an unequivocal stand was taken in opposition to the amendment. (Chic. Jour. of Commerce, Jan. 18.)

2. In an editorial on "Two Proposed Tariff Iniquities" Southern Agriculturist for January 15 says: "Especially should farmers protest against two proposed iniquities. One is the high tax on foreign potash -- a tax that will make fertilizers cost more and lessen the ability of both France and Germany to buy American farm products. The other is the American valuation scheme for determining the amount of duty to be paid by imported goods. Under this plan, an apparently low tariff duty may become a very high one, and a moderate duty a prohibitive one."

Section 3.

Department of Agriculture

1. "Transfer of Forest Service" is the title of an editorial in The Lumber Trade Journal for January 15, which says: "A recent letter of Gifford Pinchot, relative to the proposed transfer of the Forest Service from the Department of Agriculture to the Department of the Interior, embodies ideas which are well calculated to find a response from a large proportion of those interested in the cause of forestry in the United States. While the Forest Service has gained recognition as an exceptionally efficient and practical government agency, it has commended itself to the public, including lumbermen, in no way perhaps more than in the fundamental policies which have guided its course. This is particularly true in that those policies have included a large degree of effort in the direction of conservation and reforestation, looking to the perpetuation of the Nation's forest resources, the importance of which is everywhere recognized, and to which as an abstract principle there is practically no opposition. Broad policies such as this naturally emanate not from the Forest Service itself, but from the department of which it is a part, and the one mentioned is the one which would naturally be expected from the Department of Agriculture, considering the nature of the interests under its charge. While the foregoing implies no criticism of the Department of the Interior, it remains a fact that its activities are along a different line, which naturally gives a separate viewpoint, calculated to inculcate different policies, which will find expression throughout its different bureaus. ... It is believed that there will be found little difference of opinion among those most interested in forestry as to the preservation of the integrity of the Forest Service as now organized ... "

2. At a recent joint meeting of the Illinois Advisory Board of Agriculture with representatives of the Illinois Agricultural Association and the Illinois Farmers' Institute, Director of Agriculture B. M. Davidson was authorized to write Illinois congressmen asking that they use their influence to keep the Bureau of Markets and Forest Service from being taken out of the United States Department of Agriculture. (Prairie Farmer, Jan. 14.)

3. In an editorial entitled "Cooperation Succeeds Where Antagonism Fails," Commercial West, January 14, says: "According to latest authentic reports of industrial and commercial development in Germany, that country is again furnishing the world a marvelous exhibition of the efficiency of the get-together habit, or cooperation between various industries. ... Here in our own country, we are still following a most inconsistent policy of trying to boost one industry while we are whacking another one and arriving nowhere. The Federal Government is busy advancing credits to banks, which have loaned heavily to farmers and another department of the Government is prosecuting business concerns that follow the natural law and cooperate, all because we still cling to the so-called anti-trust laws. The Department of Agriculture has gone out of its way to supervise the grain exchanges of the country and interfere with the free action of markets in farm products, even though marketing is purely a matter of commerce, and the Department of Commerce should be the logical bureau to look after such affairs. ..."

Department of Agriculture

4. An editorial in The American Elevator and Grain Trade for January 15, on "Brief on Future Trading Act" says: "The Department' (of Justice) brief dwells upon the old exploded notion that speculation is the same as gambling. The Supreme Court has ruled upon that question and this ruling will hardly be reversed. ... One of the chief points at issue is the attempt to destroy property value without compensation. The value of the Board of Trade membership lies in the responsibility it enjoins upon the holder to live up to the rules and regulations of the board. ... The Future Trading Act provides for membership in the Board of Trade of cooperative companies which pay dividends on a patronage basis. This, in effect, is rebating, and if it were allowed would destroy the confidence of shippers, make the rebate rule innocuous, and would tend to make memberships worthless. ... The brief condemns speculation as gamblin and that, from a reporters' standpoint, is always news and newspapers invariably play it up to the limit. The fact that it has no real bearing on the case matters not at all."

Section 4.

MARKET QUOTATIONS

Farm Products

Jan. 19: Chicago wheat market strong throughout on private reports of farm reserves and cold weather in Southwest. Chicago May wheat higher at $1.14 3/8; Chicago May corn higher at 53¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.22; No. 2 hard winter wheat $1.12; No. 2 mixed corn 49¢; No. 3 white oats 34 1/2¢. Average farm prices: No. 2 mixed corn in Central Iowa about 36 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.08 3/4; No. 2 hard winter wheat in Central Kansas 98¢.

Chicago hog prices higher, bulk of sales $7.25 to $8.25. Beef steers and fat cows and heifers steady to 25¢ lower: Medium and good beef steers $6.65 to $9; butcher cows and heifers $3.40 to $7.75. Best fat lambs and light sheep steady; fat lambs $11.50 to $13.20.

Potato markets steady to firm. Chicago market slightly stronger. New York sacked Round Whites No. 1 firm at $1.98 to $2.05 per 100 lbs. Maine Green Mountains in bulk steady at $1.71 to $1.76 f.o.b. New York Baldwin apples A 2 1/2 weaker f.o.b. at $6.50 per bbl. New York Danish cabbage steady f.o.b. at $38 per ton bulk.

Most hay markets weak; receipts larger without corresponding increase in demand. Prices fairly steady in East; lower in West. Feed markets quiet. Hominy feed dull with heavy offerings. Cottonseed and linseed meal in good supply at fairly steady prices.

Butter markets unsettled and weak. Cheese markets steady.

Spot cotton up 10 points at 17.14¢ per lb. New York January futures up 9 points at 17.75¢. (Prepared by Bur. of Mkts.& Crop Est.)

Industrials and Railroads

Jan. 19: Average closing price 20 industrials 81.91, as compared with 76.08 corresponding day 1921; average closing price 20 railroad stocks 76.18, as compared with 76.22. (Wall St. Jour., Jan. 20.)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. IV, no. 17. Section 1. January 21, 1922.

Agricultural Commission Urges Wider Farm Loans

Criticism of the Federal Reserve Board's policy in the ten months following the armistice is coupled with recommendations that existing bank agencies be adapted to meet the credit requirements of farmers, in a report submitted to Congress January 20, by the Congressional Joint Commission of Agricultural Inquiry, of which Representative Anderson is chairman. It is the opinion of the commission that a policy of restriction of loans and discounts by advances in the discount rates of the Federal Reserve Banks should have been adopted in the early part of 1919, notwithstanding the difficulty the Treasury Department foresaw in floating the Victory Loan if such a policy were adopted. It believes this would have averted much of the expansion, speculation and extravagance that characterized the postwar period, as well as the hardships and losses in 1920-21. The commission believes all of the banking agencies of the country can be used by adapting them to farmers' requirements for credit of sufficient maturity to make payment possible out of the proceeds of the farm. This means a credit running from six months to three years. The commission proposes to authorize any Federal Land Bank to rediscount paper on which money has been advanced to or used by the farmer for agricultural purposes. It also proposes to permit Federal Land Banks to make loans direct to cooperative associations of farmers, secured by warehouse receipts on farm products. (Assoc. Press, Jan. 21.)

Tariff Legislation

With a view to simplifying the administration of the proposed permanent tariff law, majority members of the Senate Finance Committee are understood to have decided to convert ad valorem rates in the Fordney bill into specific rates wherever possible. Ad valorem rates would be based upon whatever plan of valuation finally is written into the bill, whereas the specific rates would be based on weight or content and would be independent of a valuation plan. (Press, Jan. 21.)

Fund for "Character Inquiry" Asked

The Bureau of the Budget has recommended to Congress an additional appropriation of $40,000 in order that the Civil Service Commission may give character examinations to all future applicants for positions in the Government.

(Press, Jan. 21.)

Foreign Trade Finance Plan Delayed

The movement among bankers in various cities to organize the foreign trade financing corporation in an effort to revive export trade by extending long term credits, has been temporarily abandoned, it was announced in New York, January 20. (Assoc. Press Jan. 21.)

Agricultural Conference Comment

The Government must give speedy credit relief to the farmers, even if it costs "a billion or several billion dollars" and must see that "a fair price" is paid for the crops, according to a statement of President Barrett, of the National Farmers' Union and chairman of the National Board of Farm Organizations, published in the press of January 20. Mr. Barrett declared that if the forthcoming conference is to be a success it must evolve some plan for immediate aid "to get the farmer out of the ditch." Asserting that the conference must "discover" rather than defend the existing economic systems, Mr. Barrett said that "theorizing" would not meet the present needs. "The question with the vast majority of the farmers to-day is not whether he shall scientifically direct his industry, but whether he shall do any farming at all. This, in my judgment, is the supreme problem to which the conference should address itself," Mr. Barrett said.

"It is Your Conference" is the title of an editorial in Farm, Stock and Home, for January 15, which says: "Mr. Owen has been invited to take part in the Washington conference on agricultural problems, present and future, beginning January 23d. He earnestly urges all Northwestern farmers who feel they have constructive ideas on how to meet the present crisis to communicate with him at their earliest convenience because he feels that the more material he has in his possession the greater service he will be able to render. It is the desire of those instrumental in calling this conference and those who take part in it that some tangible good will result. If farmers generally will get the idea that it is their conference and supply the members of it with material the chances of success will be greatly increased."

Hoard's Dairyman for January 20 says in an editorial: "It is not to be expected that this conference will settle the troubles and problems of the farmer. But, as the Philadelphia Public Ledger well says in an editorial, 'it will help to dramatize them so the nation may see them for what they are. The conference will be a "Stop, Look, and Listen!" sign at the crossing.'... ' The very fact that the call for a farm conference caused a great metropolitan paper to direct itself to a study of agricultural conditions and to write an editorial of understanding concerning the farmer and his job, shows the wisdom of holding a national farm conference." (The editorial referred to was quoted in Daily Digest for Jan. 3.).)

Section 2.

Agricultural Bloc

"Why 'Blocs'?" is the title of an editorial in Farm, Stock and Home for January 15, which says: "Why is there a tendency in Congress to split into 'blocs'? This is a matter that is giving students of government a great deal of concern. Some see in it a grave menace to our form of government, a 'sovietizing' of the Nation, as they put it. Whether or not this will be the eventual outcome, it seems that development of group government is a perfectly logical and natural growth from the seed we have been sowing. ... As long as our political campaigns are mere battles between the 'ins' and the 'outs,' with no great fundamental issues at stake, party rule is certain to grow weaker and group rule stronger. The remedy, if one is needed, lies in men of like minds coming together on common ground and lining up either as conservatives or liberals, each group with clear-cut, unequivocal programs, putting the issues before the people. ..."

Agricultural Bloc in State Assembly

The press of January 20 contains a dispatch from Richmond, Va., announcing that, patterned largely after the movement in Congress and designed, according to Delegate Keezell, of Rockingham County, "to see that the agricultural interests of Virginia get a square deal," there has been silently organized in the general assembly ... what is being spoken of as an "agricultural bloc," with Sen. J.B. Beverly as president.

Agricultural Financing

In an address before the Buffalo bankers' and credit men's forum, January 19, H. Parker Willis, editor of the Journal of Commerce, discussed the position of the farmer. He said: "To-day there are pending in Congress many bills which in one way or another undertake to extend special favors to the farmer or to protect him by giving him special access to bank funds or in some way to raise the price of his products at the expense, of course, of the rest of the community. He has already been largely exempted from taxation under our existing laws and it is now proposed to give him an important voice in the management of our banking system and in the distribution of our credit. There has sprung up a belief that in some way Government policy since the close of the war has been exceptionally inimical to the farmer. But fortunately facts readily available militate directly against any such notion."

Boys' and Girls' Club Work

In a section devoted to "The Boy," The Survey for January 21 presents two pages of photographs, by Lewis W. Hine, on agricultural club work among boys. In the article on this phase of work among children, the author, Gertrude H. Folks, of the National Child Labor Committee, says: "West Virginia offers a concrete expression of the difference between child labor and children's work, for in many of the communities they exist side by side. Child labor is there in unmistakable form -- the continued toil in the fields of children of all ages, often at heavy work from sun-up to sun-down. Forces are at work in these regions, however, to substitute for the drudgery and routine labor of the farm, which in itself has no value for the child, a more wholesome form of agricultural work. Foremost among the agencies thus indirectly combatting rural child labor is the extension department of the University of West Virginia which through its boys' and girls' ... clubs is promoting the new type of children's work. ... An essential part of their program is the carrying out by each club member of some systematic project connected with farm life -- the care and raising of live stock; the cultivation of some crop such as potatoes, corn or small fruit; poultry breeding, and among girls, gardening and canning and the planning and making of clothes. ... These clubs exercise a wholesome effect on the communities in which they are organized. The county agent is a new type of person in the community, and unlike many of those who would undertake rural work he is understood and accepted. The results of his work with the boys' and girls' clubs are convincing parents of the value of education, a thing that the little one-room school has never succeeded in doing. More than this, the general standards of life are raised. The club is an embodiment of the idea that work can be pleasure as well as drudgery, that the daily routine of farm life need not obliterate its joy, and that the country as well as the city offers opportunity for a satisfying existence."

Controlled Production

"Controlled production is the only salvation of American agriculture. Devising plans to market surplus products that are not wanted, except at the buyer's price, is merely treating a symptom and does not touch the reason for low prices and small profits. Raising more than is required is the cause of the demand for credit. Given profits, the question of credit will take care of itself. The American Farm Bureau Federation can render a real and lasting service if it will turn its attention to devising effective means of controlling production, in

connection with better marketing systems. ... Manufacturers and mine owners aim to k ep their production adjusted to their markets. It is the only way they can escape bankruptcy. The same economic laws govern all industry." (Harry N. Owen, in Farm, Stock and Home,Jan.15)

Cotton Marketing

Mississippi staple cotton growers will soon receive $1,800,000 from cotton sold by the Staple Cotton Cooperative Association, officers of the organization announced from Clarksdale, Miss., January 19. The association has received 153,500 bales, sold 65,000 bales and has on hand 88,500 bales. Of the 65,000 bales sold, 54,000 have been shipped. (Press, Jan. 20.)

Live-Stock Trade

A Kansas City dispatch to The Wall Street Journal for January 20 says in part: "Improvement in the trade in live stock is doing more to strengthen the general business situation in the Southwest than any other current factor. Real gratification is manifest over the improved tone of cattle, sheep, hog and mule markets. That a turn for the better has come in the face of current industrial conditions is looked upon as a sign of better price movements for the future. In January last year the trade started with bearish developments in live-stock markets, to-day all reports show a great preponderance of improved conditions for the year to date."

Lumber Freight Rates

Rates on hardwood lumber were ordered reduced by the Interstate Commerce Commission January 20 to a basis of not more than 7 to 11 cents per 100 pounds above the schedule obtaining in 1920 before general rate increases were put into effect. Railroads were instructed to make the new schedules effective not later than March 6. (Press, Jan. 21.)

Section 3.

Department of Agriculture

1. An editorial in Feedingstuffs for January 7 says: "Feed dealers will do well to read and study "The Feed Manufacturer's Opportunity," in this issue. When you have read the article carefully you will want to study the blueprint issued by the United States Department of Agriculture, (survey showing relative feed cost -- and wholesale butter market, issued by Dairy Division) a reproduction of which also appears elsewhere herein. When you have studied that carefully you will want to cut it out and use it for reference in your intercourse with your customers. It is the best selling argument, the most forceful message, and the greatest promise that has appeared since the birth of 1922. This blueprint shows the surprising fact that the margin between the cost of feed and the price of dairy products is greater to-day than it has been since 1913. In other words, dairying, the butter branch of it, is more profitable to-day than it has been at any time since the war began. ... Your first important step in 1922 is to sell your customer the idea contained in the blueprint issued by the U. S. Department of Agriculture. Obviously you are not advancing a personal argument based upon a selfish desire to sell feeds. You are quoting an authority which the farmer has come to have implicit faith in -- the Department of Agriculture. ... "

2. "*If we produce more than we require and do not use the same intelligence in regulating production as every manufacturer uses, we

must inevitably sell our crops below cost. Production has long been regarded as th sacred obligation of the farmer. It is no more sacred than the obligation of seeing that his products are distributed without waste and at lowest possible cost.' Those wise words were spoken by Secretary Wallace at the farm bureau meeting held recently at Atlanta. They ought to be used as a text on every grange, league, or farm program throughout the country. They are so true they explain themselves. If farmers will produce more corn or cotton or potatoes, or milk or wheat than is required the selling price will not meet production costs. The manufacturer aims to limit production to consumption. Farmers must do the same." (American Agriculturist, Jan. 21)

Section 4.

MARKET QUOTATIONS.

Farm Products

Jan. 20: Chicago wheat prices higher early but selling caused decline later. Domestic flour demand improved; cash market firm. Corn narrow with trade mainly local. Chicago May wheat lower at $1.14 1/8; Chicago May corn higher at 53 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.22; No. 2 hard winter wheat $1.12; No. 2 mixed corn 49¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in Central Iowa about 36 1/4¢; No. 1 dark nothern wheat in Central North Dakota $1.10 3/4; No. 2 hard winter wheat in Central Kansas $1.

Chicago hog market steady to strong, bulk of sales $7.95 to $8.25. Beef steers and butcher cows and heifers generally steady. Medium and good beef steers $6.65 to $9. Butcher cows and heifers $3.40 to $7.75. Fat lambs up 15¢ to 25¢ at $11.75 to $13.25.

Potato markets generally steady. Slightly weaker tone at shipping points. New York Round Whites nearly steady at $1.98 to $2.02 per 100 lbs. Maine Green Mountains in bulk off 5¢ at $1.66 to $1.76. New York Baldwin apples A 2 1/2 firm at $6.50 to $6.75 per bbl. f.o.b. N.Y. points. New Jersey Yellow sweet potatoes $2 to $2.25 per bu. hamper in New York; $1.75 in Boston; $1.90 to $2 in Pittsburgh.

Hay market very quiet. Receipts light but equal to limited demand. Prices on top grades steady; lower grades dull, slow sale. Millfeeds easier. Demand rather indifferent. Offerings fairly liberal.

Butter markets unsettled. Buying is largely for immediate needs. Receipts fairly heavy. Quality running good for season. Cheese markets continue steady.

Spot cotton down 3 points at 17.11¢ per lb. New York January futures up 3 points at 17.78¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 20: Average closing price 20 industrials 82.95, as compared with 74.65 corresponding day 1921; average closing price 20 railroad stocks 75.85, as compared with 75.47. (Wall St. Jour., Jan. 21.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 18. Section 1. January 23,1922.

Preliminary Reorganization Plan Laid before President

Walter F. Brown, chairman of the joint committee for the reorganization of the executive departments, laid before President Harding, January21, his proposals for the reorganization and regrouping of the executive departments. The report is a preliminary one, and is intended merely as a guide for the formulation of the administration's suggestions for legislation reorganizing departments and bureaus. (Press, Jan. 22.)

Farm Loans

Agricultural credit recommendations of the Congressional Joint Commission of Agricultural Inquiry investigating agricultural problems were embodied in a bill introduced January 21 by Senator Lenroot, whose resolution was the basis of the congressional investigations. Loans of from six months to three years for agricultural development would be provided under the bill, designed to provide the short-term personal credits now said to be lacking under the Federal Farm Loan Act. Sale of three-year Federal farm bonds to supply money is prepared, together with rediscount privileges for six months' paper of Federal land banks through the Federal reserve system. (Press, Jan. 22.)

Senator Harrison Charges Plot to Kill Farm Bloc

That there is a "concerted and persistent" effort by the administration and certain of its supporters in the Senate and elsewhere to discredit and destroy the farm bloc was charged in the Senate, January 21, by Senator Harrison. (Press, Jan. 22.)

"Secret Minutes" Published by LaFollette

Replying to a recent open letter from President Howard, of the American Farm Bureau Federation, denying that representatives of farm organizations had entered into agreements with railroad and other interests regarding the repeal of the "guaranty section" of the Esch-Cummins law, Senator La Follette last night made public what he described as "minutes of the secret conference at which the agreements were reached." (Press, Jan. 23.)

Kahn Plans Farmer Aid

A New York dispatch to the Philadelphia Public Ledger of to-day states that Otto H. Kahn has asked the Committee of American Business Men to call a meeting of representatives of agriculture, business and capital to compare views and correct misunderstandings. It is probable that such a conference will be arranged immediately.

Support for Farmers Urged

Thomas B. McAdams, president of the American Bankers' Association, in a spe ial message to the bankers of the United States, January 21, said: "Put the American farmer on his feet, not through paternalistic legislation or specious nostrums but through the application of old-fashioned common sense and American banking and business principles. World movements indicate a gradual clearing up of the foreign financial skies, and if the buying power of Europe is reestablished, the fall of 1922 may find America facing an active demand for our fundamental commodities." (Press, Jan. 23.)

A lengthy dispatch from Chicago to the Philadelphia Public Ledger to-day states that Governor McCray, of Indiana, January 21, told the Illinois Bankers' Association "the real, persistent difficulty among country bankers is the plight of agricultural communities." He said: "The farmer has used his liquid assets, it seems, to the limit. He must face bankruptcy or use his fixed capital account as the basis of immediate relief. The country bankers' problem is to save his customer, who makes his business a lasting thing of value. The country banker needs help. If the farmers, as a class, fail, he fails. City bankers must constantly remember that 60 per cent of the country's wealth is produced out of the ground, and 60 per cent of the country's purchasing power is with the farmer."

Agricultural Conference Comment

"There is no more important factor in restoration of normalcy in business throughout the United States than the removal of the depression that is general throughout the agricultural districts. The railroads, capital and the manufacturing industries all feel keenly the deplorable state in which the farmer finds himself and all are turning with optimism to the conference which opens here to-day, hopeful that a way will be found out of the difficulty and that another milestone may be passed on the road to a healthy business revival." (Wash. Herald, Jan. 23.)

In an editorial on the agricultural conference, The Florists' Exchange for January 14 says: "That it is imperative that something be done for the agriculturists of the country is well realized in Washington. ... While Congress is actuated by varying motives, district politics play no part at the White House and the President is known to be insistent that the farmer be given all the help possible. ... It was to cut the Gordian knot which exists in Congress that the President sent his letter to the Secretary of Agriculture."

"The question has been raised at the Capitol as to the actual effect that will be had upon the program of the agricultural bloc in Congress by the results expected to be attained by the National Agricultural Conference. ... Members of the bloc have expressed their belief that the conference will indorse the recommendations that have been made by the Congressional Joint Commission of Agricultural Inquiry, but there is an undercurrent of doubt." (Jour. of Commerce, Jan. 21.)

Section 2.

Agricultural Bloc

1. Mark Sullivan says in a lengthy article on the agricultural bloc as a factor in politics, in the press of January 22: "You may look at the farmers' bloc from any point you choose; ... but the end of any such survey of the farm bloc is that it is without doubt the largest single interest in American politics, that it is likely to continue to have the balance of power at the polls and in Congress for a considerable period, and that it is more likely to expand than to diminish."

Agricultural Bloc

2. " 'Asks Farm Relief if it Costs Billion' " is the title of an editorial in The Journal of Commerce for January 21, which says: "This headline, descriptive of a demand announced by the head of one of the farmers' associations of the West, now in Washington, may be taken as representative of the spirit and position of those who are assailing the national legislature for special legislation of various kinds. They depict the unfortunate position of the farmers and call for loans to be made on special terms, either by the banking institutions of the country or by the Government, in order that agriculture may be emancipated from the depression and danger from which it now suffers. There can be little doubt among those who have looked carefully into the true state of things in the agricultural regions as to the real situation of the farmer. The reduction of prices has placed the farmer, in many parts of the country, in a position well nigh desperate. ... It is largely to the farm bloc in the Senate that we must ascribe the unwillingness to come to an understanding with foreign nations that will permit the settlement of our international accounts. To the same group may also be attributed the refusal to permit a cheaper cost of living through modification in tariff duties. ... The same kind of suffering and economic loss that has visited the farmer has come to many other classes in the community, but these plead thus far in vain for assistance. There is every reason why the Nation, the banks, or both, should extend the utmost consideration to the farmer as to every other needy borrower. ... There is every reason why the economic position of the community should not meanwhile be seriously brought into jeopardy by the policies to be adopted, especially when the measures recommended are not of a nature to grant real relief but are of temporary and fugitive character designed rather for political effect than for actual assistance."

Agricultural Credits

In an editorial reviewing farm credits, The Nation for January 25 says: "There is, we think, a danger lest the organized farmers put the cart before the horse in their economic program. Assuredly money and credit are important, and we must give them a degree of attention both in their national and international aspects which heretofore has been lacking. Nevertheless the way in which they are manipulated by Government agencies or private banks is ultimately dependent on the more fundamental question of the ownership of real wealth and power. If banks and natural resources are owned and controlled by a privileged class that class will find a way to profit at the expense of the many under the fiscal system. Far more helpful to the farmers or industrial workers than the presence of one of their own members on the Reserve Board would be the growth of cooperative banks which might join the Federal Reserve System."

Congress and Farmers

"Our Foolish Congress" is the title of an editorial in New York Commercial for January 21, which says: "Considering the important problems before the country and their bearing on world problems it is rather heartrending to see Congress running around in a circle wasting its time over putting a dirt farmer on the Federal Reserve Board, as if he could do anything when he got there. Then there is the emergency tariff which taxes things the farmer exports and which need no protection, and the act regulating the grain exchanges as if

they were machines that made prices go up or down at the behest of some dictator. Fortunately there are a few clear-brained men left who can see, as Senator Norris does, that these are merely schemes to fool the farmer. Yet, will the farmer stay fooled? He will not. He will see that he has simply been handed a few more gold bricks and will be inclined to hurl them back in the shape of adverse votes so that it will be Congress that finds itself fooled."

Farmer on Reserve Board

An editorial in The Wall Street Journal for January 21 says: "Now that the Federal Reserve Board has been enlarged by the mandatory inclusion of a 'dirt' farmer, necessarily with no knowledge of banking, it would be interesting to hear from some member of the Senate's agricubtural bloc how the farmer has been benefited. He might conceivably be stronger if the agricultural bloc itself included a single farmer, which it does not. Eight-tenths of its members are lawyers, and the other two-tenths are not farmers. ... So far as the farmer is concerned, no more heartless swindle has been perpetrated upon him since the devastating outbreak of Populism in the '90s, or since that period in our early history when exactly the same folly refused to renew the charter of the First Bank of the United States and thereby rendered inevitable two of the worst panics we have had -- those of 1814 and 1819. ... History repeats itself; and in times when some great catastrophe, like the war, upsets normal social conditions, there is a mischievous fermentation which brings the scum to the top. The agitator alone profits by the unrest. ..."

Section 3.

Department of Agriculture

The Southern Lumber Journal, January 15, says in an editorial: "While international affairs still monopolize official attention in the National Capital, Congress promises soon to come into the limelight. Many measures and legislative proposals are being discussed by senators and representatives, but probably nothing is so promising of spirited debate and vigorous opposition as the program of administrative reorganization through which it is planned to remodel much of the departmental structure of Government. One of the most important and far-reaching innovations incident to this proposed reorganization is the suggestion to transfer the United States Forest Service from the Department of Agriculture to the Department of the Interior. Gifford Pinchot, who has long taken an active interest in forestry matters, has made the charge that the timber and lumber industries are using their influence to secure the transfer of the Forest Service. In order to clarify the position of the timber industries before the public, Dr. Compton, Manager of the National Lumber Manufacturers Association, has given out the following statement, which has been sent to the President and the Secretary of Agriculture: 'While Mr. Pinchot may know of some individual lumberman or timber owner who may favor the transfer of the Forest Service, I myself know of none. The lumber industry, so far as I have information, is satisfied with the present administration of the United States Forest Service...I am convinced that almost universally lumbermen and timber owners have complete confidence in Colonel Greeley and that we are all in favor of leaving the Forest Service where it is. ..."

Section 4.

MARKET QUOTATIONS.

Farm Products

The wheat market had a good undertone during the week ended Jan. 21, and prices advanced. Chicago May wheat up 4 1/2¢; Chicago May corn up 1¢. Principal market factors were: Improved milling demand, strength in cash market, dryness and cold weather in Southwest, and bullish reports on farm reserves.

The hay markets were generally quiet. Receipts light in most markets but equal to limited demand. Good demand for alfalfa at Kansas City. Prices for top grades of timothy steady in most markets; lower grades weak. Millfeeds easier; demand rather indifferent; offerings fairly liberal.

Butter markets unsettled. Receipts fairly heavy and buying is largely for immediate needs. Little activity in imported butter. Cheese markets steady with a fair volume of trading.

Potato markets continued generally steady to firm; shipments small. Apple markets held about steady. Cabbage markets weaker; demand limited. Freeze in Southern California Jan. 19 and 20 reported to have caused serious damage to oranges, lemons and truck crops, except in Imperial Valley.

Chicago hog prices advanced 45¢ to 70¢ per 100 lbs., light weights advancing most. Beef steers and fat cows and heifers down generally 25¢ to 50¢. Common and medium grades of feeder steers weak to 25¢ lower; other grades generally steady. Veal calves up 75¢; fat lambs 25¢ to 40¢; feeding lambs 50¢ to 75¢; fat sheep and yearlings 25¢ to 50¢. Eastern wholesale fresh meat prices weak to lower.

Spot cotton down 27 points; New York January futures down 25 points. (Prepared by Bur. of Mkts. & Crop Est.)

Jan. 21: Chicago wheat prices advanced to new high on present upturn, May wheat closing at $1.16. Chicago May corn higher at 53 5/8¢. Cash market strong with good demand from mills. Closing prices in Chicago cash market: No. 2 red winter wheat $1.24; No. 2 hard winter wheat $1.14; No. 2 mixed corn 49¢; No. 3 white oats 35 1/2¢. Average farm prices: No. 2 mixed corn in Central Iowa 36 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.10 1/2; No. 2 hard winter wheat in Central Kansas $1.

Chicago hog market active, bulk of sales $8 to $8.35. Cattle and sheep prices not materially changed. Medium and good beef steers $6.65 to $9; butcher cows and heifers $3.40 to $7.75. Light and medium weight veal calves $7.25 to $10.25. Fat lambs $11.75 to $13.25.

Potato markets about steady; Chicago market slightly weaker. New York sacked Round Whites firm f.o.b. at $1.98 to $2.05 per 100 lbs. Maine Green Mountains in bulk $1.61 to $1.71 f.o.b. Maine No.1 Baldwins from cold storage $7 to $8 per bbl. in Boston. New York Danish type cabbage slow in Boston at $2.50 to $3 per bbl.; weak f.o.b. at $36 to $38 per ton bulk.

Spot cotton down 2 points at 17.09¢ per lb. New York January futures down 3 points at 17.75¢.(Prepared by Bur.of Mkts.& Crop Est.)

Industrials and Railroads

Jan. 21: Average closing price 20 industrials 82.53, as compared with 74.91 corresponding day 1921; average closing price 20 railroad stocks 75.68, as compared with 75.45. (Wall St. Jour.Jan.23)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. IV, no. 19. Section 1. January 24, 1922.

President Harding's Recommendations

In his address before the National Agricultural Conference, January 23, President Harding recommended: 1. Provision for greater working capital for farmers; 2. Extension of cooperative marketing associations; 3. Better dissemination of scientific information; 4. Measures to protect farmer and consumer from violent price fluctuations; 5. Greater development and use of waterways and eventual electrification of all railroads; 6. Fuller development of natural resources through increased reclamation. (Press, Jan. 24.)

Conference Comment

Commenting upon President Harding's address before the National Agricultural Conference, The New York Times to-day says in an editorial: "The difference between common sense and political nostrums will be made clear to anybody who takes pains to compare President Harding's talk to the National Agricultural Conference at Washington yesterday with the discourse of any leading Senator of the Farmers' bloc. Mr. Harding talked wisely, constructively and with a sympathetic understanding of the hard conditions that the American farmer has had to contend with since the great fall in prices. Political friends of the farmer would have tried to prevent the fall by more credit, by more currency, by continuing inflation. ... The President is in hearty sympathy with all wise efforts to provide financial accommodation for the farmers, but he understands very well that because of the peculiar conditions of the business, the farmer's turnover ranging from a year for crops to three years in cattle raising, it is impracticable to use ordinary banking funds in farmers' loans. Money for their use must be furnished by institutions specially created, and in general from funds provided by investors. Mr. Harding would have the farmers help themselves by cooperation, and in that piece of advice every one will concur who happens to be familiar with the many ways in which the farmer's interest suffers through extreme individualism. ... "

W.J. Bryan on Agriculture

In an address before the National Agricultural Conference yesterday, William Jennings Bryan said that in his opinion the farmers are worse off than they have been for thirty years, with the value of the produce driven down to prewar levels, while their purchasing power has not decreased in proportion. Mr. Bryan told the farmers that they ought to demand drastic reforms not included in the program outlined by President Harding. Among the things needed, he said, were State trade commissions, with the same powers as the Federal Trade Commission, and definite legislation dealing with middlemen's abuses. "There has come out of the East," Mr. Bryan said, "a warning that the formation of the so-called agricultural bloc is immoral. ... The only difference is that other blocs operate in secret, while the agricultural bloc has the courage to do its work in public." (Press, Jan.24.)

Section 2.

Agricultural Bloc

An editorial in Farm and Ranch for January 21 says: "Almost from the inception of this Government the big business interests, and more particularly the big money interests, have been represented in Congress by a set of men who have never failed to vote for legislation which would be favorable to those interests, or to oppose legislation framed to curtail their privileges. ... These same interests, or a part of them, are now expressing grave fears that the friends of the farmers who now sit in the halls of Congress have organized a 'bloc' and are seeking class legislation. ... Congressmen who have been instrumental in passing legislation favorable to the producers are not alone representing the farmers. They are representing the people. If it has been necessary for them to form a 'bloc', or get together to block other pending legislation until they receive a hearing on measures which to them appear to be of greater importance, they have done no more than follow the methods of those who have for years performed the same service for Wall Street. It is time that so-called 'Big Business' made way for the larger business, that of Agriculture and Live Stock."

American Farm Bureau Federation

1. Wallaces' Farmer for January 20 says in an editorial: "Is the Farm Bureau Worth Saving? This question was answered emphatically in the affirmative by the one hundred delegates and one thousand attending members of the Iowa Farm Bureau Federation at the annual convention at Des Moines by a revital of accomplishments for 1921 and a pledge for an aggressive program for 1922. ... The program ... includes further work in cooperative marketing, rural credits, taxation, roads and legislation. The federation will also bring the need for corn acreage reduction home to every Farm Bureau member in the State by wide dissemination of the figures on present surplus, the normal prewar acreage, and the reduction needed to get back to normal."

2. "Is the Bureau Worth Saving?" is the title of an editorial in The Price Current-Grain Reporter for January 18, which says in part: "The fact is that the A. F. B. F., as now dominated by President Howard and the U. S. G. G., Inc., is really not worth saving. Rather it ought to be allowed to die; and judging from the loss of membership in 1921, as shown by Secretary Coverdale's Atlanta report, and from the appearance in several different quarters of antagonisms among the farmer groups, mismanagement and hard times are killing it very rapidly."

Crop Insurance

An editorial in The National Stockman and Farmer for January 21 says: "The idea that the Government, through the Department of Agriculture, should establish a system of crop insurance is being advocated by some well-meaning men. ... The Government should not go into the insurance business, into the railroad business or any other business, because private enterprise can carry on business cheaper than the Government can. Mutual crop insurance companies may be one form of this private enterprise some day, as in fact it is now in a limited way. To distribute properly the risks of mutual crop insurance farmers of a large territory must cooperate. Perhaps the two or three leading organizations in this country, which cover much territory and include many farmers, could cooperate to work out some plan of mutual crop insurance."

Farm Child

"The Overworked Farm Child" is the title of an article by F. C. Smith, in The New York Times for January 22, which says: "According to a conservative estimate of the National Child Labor Committee, nearly 1,500,000 children, 10 to 15 years of age, inclusive, are employed in farm work, either upon the home farm or 'working out.' This committee does not claim that all of these million and a half suffer from this employment. But the Children's Bureau of the United States Department of Labor takes the decided stand that they are laboring on the farms to their own injury, and the number estimated in its report is 2,000,000."

Farm Warehouse Law

"So far but little use has been made of the farm warehouse law passed by the 1921 session of the legislature, which provides that any landowner, tenant or manager of land in this State (Nebraska) may store grain in a warehouse located thereon and receive a warehouse receipt for it which is negotiable and can be used as a basis of credit. Officials of the War Finance Corporation report that they find but few instances where the farmer asking for loans have made their grain bins a farm warehouse or where the counties have established the means for doing so. As a result the War Finance committee has not insisted upon a warehouse receipt for loans made upon grain, but they point out that such receipts would make the process of giving loans more convenient, and in some instances would strengthen the credit of the borrower considerably." (Nebraska Farmer, Jan.21.)

Forestry

"To the lay mind it would seem as if there ought to be trees enough in the United States to provide for our timber needs for generations ahead, that is, if the layman gives the matter any thought at all, which he probably does not; while even those who would give the matter consideration if they thought it worth while do not even know that it is worth while. Thus, when the matter is brought to public attention, it comes as something of a shock to realize that even now we are dependent upon imported lumber to a tremendous extent. ... The economic importance of an adequate timber supply is so great as to demand immediate consideration, and the fullest support should be given to the measures now before Congress designed to aid in the restoration of the forests." (New York Commercial, Jan. 20.)

Fur Harvest

A dispatch from Saranac Lake to the press of January 23 states that fur buyers in the Adirondacks declare that the present season will be marked by the largest harvest of pelts on record, with the trappers receiving approximately $1,500,000 for their catch. In 1919, the banner year until now, when unusually high prices were paid for furs, the trappers realized more than $1,000,000. Prices are 40 per cent higher than last year.

A dispatch from The Pas, Manitoba, to the press of January 21, states that with more than a quarter of a million of dollars' worth of fur marketed there, it is reported that northern trappers will probably receive $2,000,000 for the season's catch.

Grain Prices

An editorial in Farmer and Breeder for January 15, on the investigation of grain prices by the Federal Trade Commission, says: "The farmers only want justice, not privilege. They want to know why the price of wheat was smashed below a dollar in the face of

the heaviest exportation of wheat on record. The grain growers of this section (South Dakota) are convinced that market manipulation is at the bottom of these disastrous breaks in prices, and that, temporarily at least, the natural law of supply and demand is interfered with to the detriment of the grower."

Packer Employee "Unionism"

The Nation for January 25 contains a lengthy article, by Benjamin Stolberg, on the labor situation at the Chicago stockyards. He thus describes "company unionism" in the Swift plant: "It was during the armistice days that John Calder (manager of industrial relations at Swift's) began his work of undoing unionism in the Yards. Of course, his department already had the conventional employment, medical, training, and welfare subdivisions. But now it bent its main energies on parfecting a new pension and benefit scheme, and at the present time Mr. Calder is working on an unemployment insurance policy. He also invigorated the employees' stock investment plan and developed a training course for foremen, consummately skillful in its scientific simplicity. ... A similar course was introduced for the common help in the Chicago plant and is now being extended to the subsidiary plants all over the country. Thus John Calder carefully inoculated the germ of company unionism into the packing industry. In time this labor anti-toxin was injected by other packers, excepting Morris and Company, who never were in business for their health and now again proposed to disregard industrial disease."

Price Inquiry

An editorial in The National Stockman and Farmer for January 21, on "That Price Inquiry," says: "Perhaps the worst thing about the investigation of prices that is to be undertaken jointly by three departments of our Government is that the public shows so little interest in it. The official results of such an inquiry are not likely to be highly valuable because by the time they are published conditions will have so changed that present prices and costs will mean little to anybody. If much good is to come from the investigation it must come through its stimulus to public interest in current prices. If those who are suffering inequalities or discriminations are led by this inquiry to think and act for themselves it may do some good. Otherwise it will be as other investigations of the kind have been, without much effect."

Wheat Guarantee

The Nebraska Farmer for January 21 says in an editorial: "Occasionally, and with increasing frequency, we hear some person advocate another Government guarantee to farmers of $1.50 to $1.75 a bushel for wheat as the logical remedy for the present ills of agriculture. The saneness of the majority of farmers on this matter is reflected in their decisive rejection of such a proposal wherever it has come up for discussion before one of their organizations. The strongest argument against the return of a Government guarantee on the price of wheat, is, in our estimation, that such an artificial establishment of a price whould relieve the pain, temporarily, but not remove the cause nor effect a cure of present-day farming ills. The second reason is that probably raising the price of wheat would not have much effect in advancing that for corn, which is much lower in price, comparatively, than other farm products, and there is a far greater amount of corn in farmers' hands than there is wheat In the third place, world supplies of wheat may not warrant such a

price without high tariff protection. ... Furthermore, it would simply be a partial return to that period of inflation out of which we are striving to emerge on a sound and sane basis. Give us a better marketing and distributing system, lower transportation rates, and freedom from monopolistic control of industries rather than price guarantee."

Section 3.

Department of Agriculture

"The Free Seed Nuisance" is the title of an editorial in Southern Ruralist for January 15, which says in part: "Especially is it astonishing that so vast a sum of money should be thrown away when there is such urgent demand for it by divisions of the Department of Agriculture that are absolutely essential, and which for lack of funds have been so seriously crippled. It will be recalled that many appropriations of the department were cut last year, and that immediately hog cholera control work was all but discontinued, and that forthwith eradication of tuberculosis in cattle was practically abandoned. Now both of these diseases, as every farmer knows, are expensive in the extreme and their control or eradication is necessary to the successful promotion of the live-stock industry. Yet they flourish thile Congress distributes here and there a few packets of second rate garden seed. More than that, there is scarcely a division in the Department of Agriculture to-day that is not suffering because of inadequate support. ..."

Section 4.

MARKET QUOTATIONS.

Farm Products

Jan. 23: Chicago grain prices higher early but reacted and closed lower. Chicago May wheat lower at $1.15 5/8; Chicago May corn lower at 53 1/2¢. Visible supply wheat 43,822,000 bushels, a decrease of 2,576,000 bushels for week. Visible supply corn 26,117,000 bushels, an increase of 1,850,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.23; No. 2 hard winter wheat $1.14; No. 2 mixed corn 49¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in Central Iowa about 36¢; No.1 dark northern wheat in Central North Dakota $1.12; No. 2 hard winter wheat in Central Kansas $1.

Chicago hog prices up 35¢ to 40¢; bulk of sales $8.35 to $8.85. Beef steers up 25¢ to 40¢, medium and good beef steers $6.90 to $9.10; butcher cows and heifers $3.65 to $7.75. Fat lambs $12 to $13.75.

Potato markets dull; receipts heavy. Green Mountains in bulk $1.66 to $1.71 f.o.b. Maine shipping points. Sacked Round Whites $1.98 to $2.05 per 100 lbs. f.o.b. western New York. Florida Golden self-blanching celery weaker in New York at $4 to $4.50 per crate. Danish type cabbage $36 per ton bulk f.o.b. western New York.

Hay receipts larger and equal to demand. Prices lower at Boston, New York, Philadelphia and Cincinnati but practically unchanged at other markets. Feed markets quiet. Increased output of wheatfeeds tended to freer offerings and weaker tendency.

Butter markets steadier. Cheese markets easy; slightly unsettled undertone evident, especially in distributing markets.

Spot cotton down about 27 points closing around 16.82¢ per lb. New York January futures down 27 points at 17.46¢. (Prepared by Bur. of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 20. Section 1. January 25, 1922.

A Bloc Within the Conference

The Philadelphia Public Ledger to-day says: "A bloc has now formed within the National Agricultural Conference which is in session here. It is the 'Farm Paper Bloc,' composed of editors of agricultural publications who are attending the conference. It was organized January 24, according to Herbert Myrick, of Springfield, Mass. The meeting, it was said, was attended by sixty editors."

Agricultural Conference Comment

"A Real Agricultural Conference" is the title of an editorial in to-day's Wall Street Journal, which says: Another conference is beginning its sessions at Washington, in which Wall Street has a vital interest. ... Embracing the whole financial, industrial and commercial life of the country, Wall Street cannot enjoy prosperity while the greatest consumer of industry's products is in a state of depression. Secretary Wallace also understands this, as is evidenced by the representatives of the implement, fertilizer and other industries invited to send delegates to the conference. The task this conference faces is a gigantic one. It has the possibilities of doing much for agriculture, and thus for helping the whole country. Panaceas should be strictly avoided. The whole aim should be to lead agriculture in the right direction of profitable production. This cannot be done by any merely selfish or 'get more' policy. ... Agriculture must recognize the truth ... that we are all in the same boat, to sink or swim together."

The New York Times to-day says: "Dissatisfied elements in the National Agricultural Conference began yesterday to muster forces to defeat the administration's program for declaration on agricultural policy through committees and to substitute therefor recommendations from the floor. Open resentment was expressed on the floor of the convention and in and out of the committee rooms in respect to President Harding's whack at the agricultural bloc in Congress in his opening address of January 23. Leaders of the conference, it was asserted, were trying to put through a 'tailor-made' program. Instead of being a conference for the discussion of all sides of the farmers' problems, the insurgents declared, it had been summoned merely to endorse a program already carefully prepared in advance. Charges were made that the administration was attempting to use the conference as a lever against the agricultural bloc, aiming to take the initiative in promotion of farm legislation and club the farm group in Congress into submission to the recommendations made by 'hand-picked' committees in the conference."

The Philadelphia Public Ledger to-day says in an editorial: "The National Agricultural Conference may be regarded as a soft, warm poultice, a soothing lotion and a political economic emollient. In some ways it will act as a penetrating liniment. Good will come out of it both directly and by indirection, but in it there is no Balm of Gilead and out of it will come no panacea. It will not solve the big

problems of the farmer, and these be many and ugly, but it will give him a hearing. He will pillory the banking system, the middleman and the railroads. Farm troubles will be dramatized and spotlighted so that the Nation may understand them. The speeches that are being made, the grievances aired and the plans set forth have been echoing in the Middle West and South since 1919. The East is hearing the farm clamor for the first time; but it is an old story in the corn belt, the cotton belt and the wheat, hog and cow country. It is a good thing for the East and the whole Nation to hear of these troubles. They are the common problems of all sections,and they should have national consideration. It is in bringing about a hopeful and sympathetic rather than a radical and class-minded consideration that the conference should justify itself. ... If relief does not come on the wings of the morning, the farmer may go mildly and conservatively red with a La Follette, a Capper, or a Ladd in the forefront demanding soft money, national ownership, Federal marketing, price-fixing, and other ingredients of an agrarian revolution. The farmer is bound to have his hearing now or later."

Mark Sullivan is the author of a witty commentary on the conference, entitled "Farm Conference Humorous but Really Means Business" in the press of to-day. He says, in part: "If you wanted to be funny about it and didn't have any deeper sense of responsibility, you could be right humorous about this farm conference. .. You could say all these things; but if you should say them and not say any more, you would be willing to sacrifice truth and usefulness to the merely humorous aspect you can find in any event. ... The truth is that these men and women prominent in other lines of industry are not more than one in ten among the sure-enough farmers, and are here with the farmers in order that the conference may have the complete story and cover the field as a whole. ... If you are watching things from here in Washington, if you could see this conference and be familiar with the strength of the American Farm Bureau Federation, and know the power of the farm bloc in Congress, you wouldn't have much doubt that the farmer is going to be in the saddle. He is going to dominate the future. In the chaos of our postwar economic readjustments, this country might conceivably have taken, or yet take, any one of several roads. It is now fairly certain that we are going to take the path which recognizes the farm as our fundamental industry, and the all-to-be-considered basis of our future policy. ..."

Federal Marketing Board

The creation of a Federal cooperative marketing board and providing for the organization of cooperative marketing associations is the object of a bill introduced January 24 by Senator McCumber, of North Dakota. The board would consist of five members, appointed by the President and confirmed by the Senate. (Press, Jan.25.)

Bureau Investigation Asked

Representative Overstreet introduced a resolution, January 24 calling for investigation by a House committee of the Bureau of Crop Estimates of the Department of Agriculture, with a view to "discovering the cause of and instituting remedies for, the inaccuracies shown in the reports of the 1921 cotton crop" published by the department. (Press, Jan. 25.)

Cotton Taxes

House members from nine southern States are preparing to press for early action a resolution by Representative Scott, of Tennessee, designed to recover from the Federal Government $68,000,000 collected in cotton taxes during the three years following the Civil War.

Agricultural Credit

California Farmer for January 15 says in an editorial: "Why is it that credit is not lacking for such operations as the subdivision of tracts of suburban lands for city lots, while farmers are often unable to secure credit to buy necessary implements with which to till their land more efficiently? ... Without knowing definitely enough about the situation to discover the Ethiopian in the wood pile, we surmise that the bankers are not altogether at fault in this matter, although no doubt considerably to blame for an apparent lack of sympathy with agriculture. We have seen a statement of a prominent bank showing a very large sum in agricultural loans, and we suspect that the real underlying cause of this regrettable credit situation is the autocratic attitude of the Federal Reserve Board. It looks well on paper to report that outstanding loans have been very considerably reduced, but this means that someone has been forced to pay up, and this is no time to be forcing farmers to liquidate their loans any more than is absolutely necessary. Rather is it a time for extending credit to farmers as much as possible, in order that the basic industry may be aided to a quick recovery, when it will in turn put other industries back upon their feet."

Agricultural Financing

1. During the week ending January 21, 1922, the War Finance Corporation approved a total of 363 advances, aggregating $12,668,000, for agricultural and live-stock purposes. (W.F.C. press statement, Jan. 23.)

2. The Commercial and Financial Chronicle for January 21 devotes the greater part of its review of the financial situation to agricultural financing, saying, in part: "The result of this week's action of the Senate on the proposal to increase the membership of the Federal Reserve Board from seven to eight members has been that the agricultural 'bloc' has not been successful in securing the adoption of a provision making it mandatory upon the President to name a farmer to the Board. ... Any attempt to inject politics into the Federal Reserve System, even by suggestion, must be regarded as demoralizing in the extreme. It is not clear that the honorable senators followed their own convictions when the time came for the vote, and it is quite open to question whether the members of the unrecorded bloc really represent or even understand the farmer. ... If the farmer obtained all the special legislation he is said to want, he would yet be disappointed; it would not prove remedial for him, although he might not be made to distinctly trace the line between causes and effects. What he needs is intelligent research, more cooperative marketing, and, most of all, a deflation of labor whereby the barter-value of his products will become larger."

Agricultural Situation

Huston Thompson, of the Federal Trade Commission, says in The Journal of Commerce for January 23: "If I were asked to-day what domestic problem, if solved, would most quickly reflect itself in increased business for the grocer, I would unhesitatingly reply -- the solution of the farmers' inability to reach his markets. The plight of the farmer is one of the most serious of our postwar problems. The economic conditions surrounding millions of American farmers at the present time have not merely a local or sectional but a transcending National interest. Eliminate the purchasing power of

the farmer in the corn belt, the wheat States, the cotton and wool producing areas, and the commercial life of the Nation will be absolutely paralyzed. There are 424,000 grocers throughout the United States. In the wholesale trade alone the total business last year approximated $3,500,000,000. It is quite clear, therefore, that the grocers have good reason to give serious thought to the crisis which is hovering over our agricultural communities. They are the great household provisioners of the Nation."

Congressional Commission's Report

"An Unwise Report" is the title of an editorial in The Journal of Commerce for January 23, which says: "Reporting the results of its findings with reference to the Federal Reserve System and the farming situation, the Joint Commission of Agricultural Inquiry, which has for some months past been deliberating upon the results of its investigations, now reviews the experiences of the past three years since the war and passes judgment upon the entire credit problem. The document is one of those that should be carefully read by the average man not so much for the information it conveys as because of the type of reasoning and the methods of study which it brings to a great public question. The outcome of its recommendations is found in a plan for the amendment of the Federal Reserve Act and Fêderal Reserve Loan Act, with the object of providing for direct loans to farmers on long time (six months to three years) these loans then to be rediscounted with the Federal Reserve banks when they reach a certain period of maturity. ... The farmer in many parts of the country needs capital. Let him be provided with means of getting it and of investing it wisely. But let him not propose to draw off from the credit reservoir of what is almost the only solvent country in the world, the fluid funds which are needed to maintain convertibility and keep the Nation upon a sound price basis. ... As for the Joint Commission, its report has seemingly been the work of someone who was torn by a disposition to tell the truth so far as his political masters would let him and at the same time was worked up upon by the disposition to make fictitious political capital through the distortion of some facts and the suppression or neglect of others. ..."

Farmer for Reserve Board

1. In an editorial on the subject of the appointment of a farmer to the Federal Reserve Board, The Economist for January 21 says: "This attempted legislation is part of a movement which is already involved in considerable scandal, that is the effort of the 'agricultural bloc' to make farmers or the farm communities objects of special favor. To this end the assertion has been made that the unfortunate condition of the farmer is due to maladministration of the Federal Reserve System, whereas enlightened people know perfectly well that that system has been a great boon to the tillers of the soil and all other producers, distributors and financiers."

2. The Prairie Farmer for January 21 says in an editorial: "Since the management of the Federal Reserve Bank affects the prosperity of agriculture so vitally, it is no wonder that the agricultural bloc would like to see a farmer on the Federal Reserve Board. The wisdom of singling out one class by law for representation on the board is doubtful, however. It will inevitably lead to similar demands on the part of other classes, and will establish a precedent

that may lead to trouble. The President is said to have no objection to a law requiring that agriculture, industry and commerce be represented on the board. Such a law would be sounder and more defensible and just as good from the farmers' standpoint, particularly if it is understood that a representative of agriculture will be appointed to the first vacancy. It might be well to go still further, and follow the example of England, which does not allow any bankers on the governing board of the Bank of England. The theory of the English law is that the Nation's financial system should be operated for the benefit of the public rather than for the benefit of the bankers. There is much to be said for this viewpoint."

Farm Wages

"Wages for farm labor this spring may be off 25 per cent to 50 per cent from last year. The supply will be ample at a heavy reduction in the rate. A new tendency among employing farmers is to meet at the office of each county farm bureau, consider the whole problem of wages and labor conditions, and come to an understanding as to what is fair under present circumstances. Sometimes the more capable hired men are invited into such a conference, and their views should be carefully considered. A new method of hiring farm help for 1922 already has been adopted by the members of several farm bureaus in western states. The man is hired for six, eight or nine months, as the case may be, at a minimum monthly wage. If he stays on the job until the end of the period, thus fulfilling his contract, at the end of the period he is given a bonus in cash at the rate of from $5 to $10 monthly." (New England Homestead, Jan.21)

Prices

In an editorial advising farmers on the subject of high public expenses and low farm prices, Wallaces' Farmer for January 20 says: "Pick your target and squeeze the trigger. ... Pick out the unnecessary expenses for attack -- there are plenty of them; but let the essentials alone. We don't want to go back twenty years in the handling of our public schools, road system and other public enterprises. We do want to use better business judgment in making improvements, and we want to take care that in public as well as private life we are not spending beyond our means. It is essential also that in his efforts to see that farm prices are on a parity with prices of other products, the farmer does not yield to the fallacious logic of attempting to force all prices down to the farm level. As one farmer wrote to us the other day: 'If we get all the commodity prices down as low as prices of farm products, we will all go to smash.' We need to put farm prices on a level with other commodities, but we want to do this by raising farm prices to a higher level. A price level 60 per cent above the prewar level of all commodities ought to be one of the primary aims of any farmer or group of farmers who really want to see a revival of agricultural prosperity. The question, of course, is, how we are going to do this. The continued attacks of farmers and the farm press on the deflation policy of the Federal Reserve have brought about a marked improvement in the rediscount rate. If in addition to the lowering of this rate the administrative officials of the regional banks will use more discretion, more banking judgment and show less of the typical bank examiner attitude of mind, we can expect to have a steady betterment of credit conditions."

Section 3.

Department of Agriculture

"The Free-Seed Graft" is the title of an editorial in California Farmer for January 15, which says: "Political graft that the Government pays for, not only with the money of the taxpayers, but with the confidence of the public, must be done away with. The Budget Committee left out of the budget recently submitted to Congress the proposed appropriation of $235,000 for free seed, and in this omission some of the Congressmen see one of their most attractive baits for votes lost, and some are making an effort to have it put back. ... Free seed is harmful economically. ... The idea is apparently to raise the most prospective votes and not the most productive gardens. Quanity and not quality. ... The free seed graft is an old one. It has been worked again and again. Surely it is time that the public understood this penny vote-catching stunt and would refuse to take the bait."

Section 4.
MARKET QUOTATIONS

Farm Products

Jan. 24: Chicago wheat had firm undertone at higher prices, but reacted toward close. Chicago May wheat unchanged at $1.15 5/8. Chicago May corn higher at 53 3/4¢. Closing prices in Chicago cash market No. 2 red winter wheat $1.23; No. 2 hard winter $1.14; No. 2 mixed corn 49¢; No. 3 white oats 35¢. Average prices to farmers; No. 2 mixed corn in central Iowa 36 1/2¢ to 37¢; No. 1 dark northern wheat in Central North Dakota $1.13; No. 2 hard winter wheat in Central Kansas $1.02.

Chicago hog market lower, bulk of sales $8.40 to $8.85. Best heavy fat steers steady. Medium to good grade beef steers $6.75 to $9.10. Better grades fat cows and heifers weak to lower, butcher cows and heifers $3.65 to $7.75. Best fat lambs steady to 10¢ higher at $12.25 to $14.00.

Potato markets dull; nearly steady. Sacked Round Whites $2.05 per 100 lbs. f.o.b. western New York points. Danish type cabbage $35 per ton f.o.b. Rochester section; $35 to $40 f.o.b. Wisconsin points. Jersey sweet potatoes $2 to $2.25 per bu. hamper in city markets. Maryland and Delaware sweets $1.50 to $1.90.

Spot cotton prices advanced one point, closing at 16.83¢ per lb. New York January futures declined three points, closing at 17.45¢. (Prepared by Bur. of Mkts. and Crop Est.)

Industrials and Railroads

Jan. 24: Average closing price 20 industrials 82.43 as compared with 74.98 corresponding day 1921; average closing price 20 railroad stocks 75.58, as compared with 75.70. (Wall St. Jour., Jan. 25.)
